Value Accounts Holdings Limited

Interim financial reporting

June 2025

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This publication presents the sample half-year financial report of a fictitious listed company, VALUE ACCOUNTS Holdings Limited. It illustrates the financial reporting requirements that apply to such a company under Australian Accounting Standards as issued as at 31 March 2025. Supporting commentary is also provided. For the purposes of this publication, VALUE ACCOUNTS Holdings Limited is listed on the Australian Securities Exchange and is the parent entity in a consolidated entity.

The reporting requirements that apply to VALUE ACCOUNTS Holdings Limited are:

- Australian Accounting Standards
- Interpretations issued by the Australian Accounting Standards Board (AASB) and the Urgent Issues Group (UIG)
- *Corporations Act 2001*
- Australian Securities & Investments Commission releases
- Listing Rules of the Australian Securities Exchange

VALUE ACCOUNTS Holdings Limited – Interim financial reporting June 2025 is for illustrative purposes only and should be used in conjunction with the relevant legislation, standards and other reporting pronouncements.

Disclaimer

Introduction

This publication presents illustrative condensed consolidated interim financial statements for a fictitious listed company, VALUE ACCOUNTS Holdings Limited, for the six months ended 30 June 2025. While we have attempted to create a realistic set of financial statements for the company (a corporate entity that manufactures goods, provides services and holds investment property), the underlying story only provides the framework for the disclosures. As this publication is primarily a reference tool, we have not applied materiality considerations. Instead, we have included illustrative disclosures for as many common scenarios as possible.

The financial statements comply with Australian Accounting Standards as issued at 31 March 2025 and that apply to reporting periods commencing on or after 1 January 2025, including AASB 134 *Interim Financial Reporting.* Reporting requirements of the *Corporations Act 2001* and the Listing Rules of the Australian Securities Exchange (ASX) are also covered, except for the additional reporting requirements set out in Appendix D to Listing Rule 4.2A.3. Please note that the amounts disclosed in this publication are purely for illustrative purposes and may not be consistent throughout the publication.

Using this publication

The purpose of this publication is to provide a broad selection of illustrative disclosures which cover most common scenarios encountered in practice by reporters under Australian Accounting Standards. The industry and business environment of the fictitious company provide the framework for these disclosures, and the amounts disclosed are for illustration purposes only. Some of the disclosures in this publication would likely be immaterial if VALUE ACCOUNTS Holdings Limited was a 'real life' company. Disclosures should not be included where they are not relevant or not material in specific circumstances.

The source for each disclosure requirement is given in the reference column. Shading in this column indicates revised requirements that become applicable for the first time for periods beginning 1 January 2025. We have also included commentary throughout the interim report (indicated by grey endnotes) that (i) explains some of the more challenging areas, and (ii) lists disclosures that have not been included because they are not relevant to VALUE ACCOUNTS Holdings Limited.

These example disclosures are not the only acceptable form of presenting interim financial statements. Alternative presentations might be acceptable, if they comply with the specific disclosure requirements prescribed in Australian Accounting Standards.

Since VALUE ACCOUNTS Holdings Limited is an existing preparer of consolidated financial statements under Australian Accounting Standards, AASB 1 *First-time Adoption of International Financial Reporting Standards* does not apply.

New requirements for 2025

The following amendment to the Australian Accounting Standards became applicable from 1 January 2025:

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060] – see In brief INT2023-19

Refer to Appendix A for more details. Entities will need to consider the impacts of these amendments in the preparation of interim reports for periods commencing on 1 January 2025. For purposes of these illustrative disclosures, we have assumed that none of the amendments required a change in VALUE ACCOUNTS Holdings Limited's accounting policies. However, this assumption will not necessarily apply to all entities. If an entity did change its accounting policies because of the amendments and the change had a material impact on the reported amounts, it would need to disclose this in the appropriate manner.

An entity might also choose to early adopt the amendments to accounting standards that are applicable from 1 January 2026 (see Appendix A). We have assumed that VALUE ACCOUNTS Holdings Limited has not early adopted these amendments.

Regulatory considerations

In addition to new standards and amendments issued by the AASB, an entity should consider recent pronouncements from ASIC. ASIC's most recent areas of focus can be found on their financial reporting and audit focus areas website.

Global minimum tax – OECD Pillar Two model rules

The OECD Pillar Two model rules are designed to implement a minimum tax regime for multinational groups. Entities that operate in countries where Pillar Two rules have been enacted or substantively enacted will need to apply the exception provided by the AASB from complying with the requirements of AASB 112 *Income Taxes* and disclose that fact in the notes.

In December 2024, Australia's Pillar Two legislation to implement the Global and Domestic Minimum Tax was passed into law. The IIR (Income Inclusion Rule) and DMT (Domestic Minimum Top-up Tax) applied for fiscal years commencing on or after 1 January 2024. Additionally, the UTPR (Undertaxed Profits Rule) applies for fiscal years commencing on or after 1 January 2025. Entities in the scope of the legislation need to calculate and recognise their Pillar Two tax expenses.

For more details about the OECD Pillar Two model rules in general and the amendments made to IAS 12 *Income Taxes* (which have been replicated by the AASB) see our In depth INT2023-10 *Global implementation of Pillar Two: Impact on deferred taxes and financial statement disclosures.* We also have a *Pillar Two Country tracker* which shows which countries have already enacted local legislation.

Disclosing impact of climate risks in interim reports

The current and potential future impacts of, and exposure to, climate-related impacts, risks and opportunities continues to be a focus for preparers, investors and regulators. Users of the financial statements increasingly expect entities to discuss the interaction between climate risks and their operations as a fundamental aspect of their business activities. An entity that does have direct exposure to items such as carbon credits or emissions taxes will nevertheless need to watch for ways in which the transition to a low-carbon or carbon-neutral world could impact their financial statements.

Because interim reports focus on significant events and changes in the financial position and performance of the entity since the end of the last annual financial reporting period, we would not normally expect to see extensive discussion of the impact of climate change in an interim report, to the extent that it has already been discussed in annual financial statements. However, examples of impacts on forecasts, estimates or critical accounting judgements requiring disclosure subsequent to the most recent annual period might include:

- revising the useful economic lives and residual values of certain assets that will be replaced earlier than expected by more energy-efficient alternatives;
- updating cash flow forecasts to incorporate the increased costs of carbon emissions;
- forecasting the impact of climate change on operating margins;
- a public statement about an entity's new or revised plans to decarbonise its operations; or
- changes to segment aggregation caused by climate impacts on the production processes and regulatory environments for the products offered in the operating segments.

An entity should also consider consistency between climate-related risks and mitigation activities discussed in the management commentary (or in published press releases and sustainability reports), and the estimates, judgements and disclosures in the interim financial statements, where such consistency is required for compliance with Australian Accounting Standards.

The AASB has an ongoing project to improve application of the requirements in Australian Accounting Standards related to reporting on the effects of climate-related and other uncertainties in the financial statements, and entities should also monitor those discussions as they evolve.

To help preparers and auditors identify where additional disclosures might be required, see Appendix H in our Value Accounts Holdings - Annual financial reporting publication which discusses how climate change could affect certain measurements and the related disclosures in the financial statements. The appendix further illustrates what entities could consider when making estimates and judgements and drafting the relevant disclosures to satisfy the current Australian Accounting Standards requirements.

VALUE ACCOUNTS Holdings Limited

ABN XY XYZ XYZ XYZ [1,2]

Interim report [1] – Six months ended 30 June 2025

AASB134(6)
Not mandatory

This interim financial report does not include all of the disclosures normally included in annual consolidated financial statements. Accordingly, this interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024. [3]

AASB134(8)(e)
AASB101(138)(a)

VALUE ACCOUNTS Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at 350 Harbour Street, 1234 Nice Town. Its shares are listed on the Australian Securities Exchange.

Commentary

Quotation of Australian Business Number or Australian Company Number

CA153(1),(2)

1. Under the *Corporations Act 2001*, a company is required to show its name and Australian Company Number (ACN) or its Australian Business Number (ABN) on all public documents. It may only show the ABN if the last nine digits of its ABN are identical to the last nine digits of its ACN

ASIC-RG13

2. Guidance on issues relating to the use of ACNs is set out in ASIC Regulatory Guide 13.

Interim report to be read in conjunction with annual report

3. See paragraph 36 of the commentary to the notes to the consolidated financial statements (page 48) for our thoughts on why this disclosure should be retained.

Directors' report [1-6,12]

CA306

Your directors present their report on the consolidated entity consisting of VALUE ACCOUNTS Holdings Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

Directors

CA306(1)(b)

The following persons were directors of VALUE ACCOUNTS Holdings Limited during the whole of the half-year and up to the date of this report:

J C Campbell

A L Cunningham

M K Hollingworth

R J Hunter

C A Maxwell

N T Toddington

H G Wells

B C Bristol

CA306(1)(b)

J R Peterson was appointed a director on 1 May 2025 and continues in office at the date of this report.

CA306(1)(b)

B A Wilson was a director from the beginning of the financial year until his resignation on 29 July 2025.

Review of operations [7]

ASIC-RG247

VALUE ACCOUNTS Holdings Limited is a diversified group which derives its revenues and profits from a variety of sources. While our main focus is still on the manufacture and sale of furniture, we are steadily expanding our footprint in the IT industry through our consulting divisions and the manufacture of electronic equipment in Australia. These two main operations are supplemented by residential property development and a number of office buildings that are held as investment property.

CA306(1)(a)

A summary of consolidated revenues and results for the half-year by significant industry segments is set out below:

Comparatives not mandatory

	Segment revenues		Segment results	
	2025	2024 [8]	**2025**	2024 [8]
	$'000	$'000	**$'000**	$'000
Furniture – manufacture				
Australia	**31,700**	32,434	**8,184**	8,503
China	**20,165**	21,200	**5,534**	6,403
Furniture – retail (Australia)	**17,277**	6,402	**8,603**	5,710
IT consulting				
US	**13,905**	12,049	**4,702**	8,301
Europe	**9,370**	10,900	**(1,520)**	3,450
Electronic equipment (Australia)	**9,800**	4,300	**2,896**	2,620
Other	**3,330**	3,119	**1,929**	2,164
Total segment revenue/result	**105,547**	90,404	**30,328**	36,791

Segment results are adjusted earnings before interest, tax, depreciation and amortisation, which is the measure of segment result that is reported to the strategic steering committee to assess the performance of the operating segments. For a reconciliation to operating profit before tax refer to note 2.

Significant factors that have affected the group's operations and results during the six months to 30 June 2025 are described below:

Review of operations

(a) Furniture – manufacturing

The furniture division manufactures and sells a range of furniture, principally hardwood sideboards, chairs and tables and commercial office furniture. Segment revenue for the six months to 30 June 2025 was lower than the revenue for the comparable period as a result a new major competitor which put pressure on prices and also resulted in lower sales volumes. However, the restructuring initiatives that we put in place in the second half of the prior financial year are starting to show pleasing results through lower operating costs. As a consequence, the segment results for the two divisions in Australia and China were only marginally lower than the previous year. In June, we have further run a major marketing campaign and this has had a positive impact on our sales for July 2025, which are 10% higher than the sales in June and 7% higher than the sales in the comparable period (July 2024).

(b) Furniture – retail

The retail furniture division operates a chain of fifteen stores, mainly on the eastern seaboard. The division has continued to grow rapidly since its establishment in January 2022, with three more stores opened during the six months to 30 June 2025. The directors expect further growth in sales and profits in the remainder of the financial year. Management is currently considering a number of sites in Harbourcity, Nicetown and Springfield and expects to open at least another four stores before the end of December 2025. The acquisition of Better Office Furnishings Limited also contributed to the growth, see note 11 to the interim financial statements.

(c) IT consulting

The IT consulting division provides business IT management, design, implementation and support. While the revenue in the US was slightly higher than for the comparable period, revenue in Europe fell by $1,530,000 reflecting increased pressure from competitors and the loss of two major customers. This was combined with an increase of the associated costs due to rising inflation, a legal claim and cost overruns on a major fixed price contract. As a consequence, the results for these two segments were considerably lower than last year and an impairment loss of $1,390,000 was recognised for the European segment (see note 7 to the interim financial statements). However, the directors are confident of increasing the cost recovery rate again in the medium to long-term. A new contract pricing tool was introduced in May which will make it easier to monitor costs going forward. The group has also renegotiated the contracts with its major customers and has managed to lock in better rates for the next twelve months.

(d) Electronic equipment

Through the acquisition of VALUE Electronics Group in April 2024, the group is now also involved in the manufacture and sale of electronic equipment. Although this division did not contribute greatly to revenues and results until now, the directors see significant growth potential in this area and have recently approved a plan to expand the production facilities in 2025. A block of land suitable for this purpose was acquired in June 2025. The results of this division were adversely affected by a necessary increase in the warranty provisions. However, the problem has since been rectified and overall this new division is already generating pleasing results, contributing $2,902,000 to the group's overall segment results of $30,365,000.

(e) Other activities

Other activities include the development and resale of land and the management of investment properties. The investment property division suffered a small loss due to a weakening of the rental and real estate market. The results of the other division were satisfactory. Not included in the segment results is the engineering subsidiary which was sold on 28 February 2024. Further information on the sale and the results of this subsidiary is set out in note 12 to the interim financial statements.

(f) Significant gains and expenses

The results were affected by the following significant gains and expenses: [8]

Comparatives not mandatory

	2025 $'000	2024 $'000
Gains:		
Gain on sale of freehold land	**-**	1,270
Less: Applicable income tax	-	(381)
	-	889
Gain on sale of machinery hire division	**-**	930
Less: Applicable income tax	-	(279)
	-	651

Review of operations

(g) Significant gains and expenses

Comparatives not mandatory

	2025 $'000	2024 $'000
Expenses		
Provision for legal claim (see note 8)	**1,375**	-
Less: Applicable income tax	**(413)**	-
	962	-
Re-estimation of warranty provision (see note 8)	**505**	-
Less: Applicable income tax	**(152)**	-
	535	-
Remeasurement of contingent consideration (see note 12)	**540**	-
Less: Applicable income tax	**(162)**	-
	378	-
Impairment of goodwill (see note 7)	**1,390**	2,410
Less: Applicable income tax	**-**	-
	1,390	2,410
Write off of assets destroyed by fire	**-**	1,210
Less: Applicable income tax	**-**	(363)
	-	847

An insurance recovery of $300,000 relating to the fire was recognised as other income in the half-year ending 30 June 2024.

Auditor's independence declaration [1(c)]

CA306(2)
CA307C

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Rounding of amounts [9]

ASIC2016/191

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

CA306(3)(a)

This report is made in accordance with a resolution of directors. [10]

CA306(3)(c)

M K Hollingworth
Director [10]

CA306(3)(b)

Sydney
29 August 2025 [10,11]

CA306(2)
CA307C

Auditor's Independence Declaration

As lead auditor for the review of VALUE ACCOUNTS Holdings Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(a) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of VALUE ACCOUNTS Holdings Limited and the entities it controlled during the period.

A B Jones
Partner
PricewaterhouseCoopers

Sydney
29 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers, Watermans Quay, Barangaroo, GPO BOX 2650, Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Directors' report

Contents of directors' reports

1. The information to be disclosed in the half-year directors' report is significantly less extensive than is required in the directors' report for a financial year. The half-year report is only required to contain:

CA306(1)(a)
   (a) a review of the entity's operations during the half-year and the results of those operations see paragraph 7 below, and

CA306(1)(b)
   (b) the name of each person who has been a director of the disclosing entity at any time during or since the end of the half-year and the period for which they were a director

CA306(2)
CA307C
   (c) a copy of the auditor's independence declaration made under CA 307C in relation to the audit or review for the half-year

CA306(2)
   (d) where applicable, disclosures relating to additional information included in the financial report under CA 303(3)(c) – see paragraph 2 below.

Disclosures required where additional information is included to give true and fair view

CA306(2)

2. If the financial report for a half-year includes additional information under CA 303(3)(c) (information included to give a true and fair view of financial position and performance), the directors' report for the half-year must:
   (a) set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give the true and fair view required by CA 305, and
   (b) specify where that additional information can be found in the financial report.

   This disclosure is not illustrated in the VALUE ACCOUNTS Holdings Limited directors' report, as there is no additional information included under CA 303(3)(c).

Transfer of information from the directors' report

ASIC2016/188
ASIC-RG68(76), (77C)

3. *ASIC Corporations (Directors' Report Relief) Instrument 2016/188* permits entities to transfer information otherwise required to be included in the half-year directors' report to the financial report or a document included with the directors' report and financial report.

ASIC2016/188

4. Entities taking advantage of the relief provided by instrument 2016/188 must comply with the following conditions:
   (a) the directors' report must contain a clear cross-reference to the page or pages of the half-year report or the other document containing the transferred information
   (b) the entity must never distribute or make available the directors' report and financial report without the other documents, and must take reasonable steps to ensure that no-one else distributes or makes those reports available without the other documents
   (c) a document containing the transferred information must be lodged with ASIC as if it were a part of the report required to be lodged under CA 320.
5. Any information transferred from the directors' report to the financial report becomes a part of the financial report and must be covered by the audit or review report.
6. Comparative information is not required for information transferred from the directors' report to the financial report unless that information is also required by an accounting standard.

Review of operations

CA306(1)(a)
ASIC-RG247.42-44

7. The requirement is to present a review of the operations of the entity reported on and the results of those operations. While there is no specific guidance for the review of operations in interim reports, ASIC explains in Regulatory Guide RG 247 *Effective disclosure in an operating and financial review* what type of information it would expect to see in operating and financial reviews (OFRs) of listed companies under CA299A. As far as the comments in RG 247 relate to the review of operations, we consider them equally relevant for interim reports. In particular, the review of operations should explain the entity's business model and identify the underlying drivers of the entity's performance. See Appendix D in our Value Accounts Holdings - Annual financial reporting publication for further information.

Directors' report

Comparative figures

8. Comparative figures are not mandatory for directors' reports, but are recommended in the interests of more meaningful disclosure.

Rounding of amounts

ASIC2016/191

9. See Appendix A(j) in our Value Accounts Holdings - Annual financial reporting publication for detailed commentary on rounding of amounts in the directors' report and financial report. The commentary covers the requirements of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* which permits entities to round off as follows, subject to certain conditions and exceptions:

Assets greater than:	Round off to nearest:
$10m (but less than $1,000m)	$1,000
$1,000m (but less than $10,000m)	$100,000
$10,000m	$1,000,000

Dating and signing of report

CA306(3)

10. The directors' report must be made in accordance with a resolution of the directors, specify the date on which it was made and be signed by a director.

CA320
ASX(4.2B)

11. There is no specific deadline for signing the directors' report, but it will need to be signed 2 months after the end of the half-year to meet the ASX lodgement deadline for the half-year report if the entity is a listed entity other than a mining exploration entity. The ASIC lodgement deadline is 75 days after the end of the half-year.

Interim reports not required by the *Corporations Act 2001*

12. There is no legal or other requirement for a directors' report to be included in an interim report unless the report is a half-year report for a disclosing entity prepared under Division 2 of Part 2M.3 of the *Corporations Act 2001*.

CA303(1)(a),(2)
AASB134(8)(b)

Condensed consolidated statement of profit or loss[1-11,17,18]

AASB134(20)(b)

		Notes	Half-year 2025 $'000	2024 $'000
	Continuing operations			
AASB101(82)(a)	Revenue	2	**103,647**	87,704
AASB101(99), AASB102(36)(d)	Cost of sales of goods		**(41,016)**	(35,814)
	Cost of providing services		**(11,583)**	(12,100)
	Gross profit		**51,048**	39,790
AASB101(99)	Distribution costs		**(23,729)**	(12,065)
AASB101(99)	Administrative expenses		**(11,865)**	(6,032)
AASB101(82)(ba)	Net impairment losses on financial assets [14-15]		**(305)**	(222)
	Other income		**4,459**	3,703
	Other gains/(losses) – net		**50**	1,018
	Operating profit	3	**19,658**	26,192
	Finance income [14-15]		**855**	572
AASB101(82)(b)	Finance costs		**(3,704)**	(3,374)
	Finance costs – net		**(2,849)**	(2,802)
	Share of net profits of investments accounted for using the equity method	13	**205**	340
	Profit before income tax		**17,014**	23,730
	Income tax expense	4	**(4,555)**	(7,878)
	Profit from continuing operations	3(a)	**12,459**	15,852
	(Loss)/profit from discontinued operation	12(b)	**(32)**	664
	Profit for the half-year		**12,427**	16,516
	Profit is attributable to:			
	Owners of VALUE ACCOUNTS Holdings Limited		**11,997**	16,063
	Non-controlling interests		**430**	453
			12,427	16,516
	Profit attributable to owners of VALUE ACCOUNTS Holdings Limited arises from			
	Continuing operations		**12,029**	15,399
	Discontinued operations		**(32)**	664
			11,997	16,063
			Cents	Cents
AASB134(11)	**Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:**[12,13]			
	Basic earnings per share		**22.5**	30.0
	Diluted earnings per share		**21.7**	28.6
AASB134(11)	**Earnings per share for profit attributable to the ordinary equity holders of the company:** [12,13]			
	Basic earnings per share		**22.4**	31.2
	Diluted earnings per share		**21.6**	29.9

Not mandatory

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CA303(1)(a),(2)
AASB134(8)(b)

Condensed consolidated statement of comprehensive income [1-11]

AASB134(20)(b)

	Notes	Half-year 2025 $'000	Half-year 2024 $'000
Profit for the half-year		**12,427**	16,516
Other comprehensive income			
AASB101(82A) *Items that may be reclassified to profit or loss*			
Changes in the fair value of debt instruments at FVOCI		**36**	(49)
Exchange differences on translation of foreign operations		**(38)**	69
Exchange differences on translation of discontinued operation	12(b)	**-**	170
Gains and losses on cash flow hedges		**161**	(152)
Costs of hedging		**8**	(20)
Hedging gains reclassified to profit or loss		**(41)**	(240)
Gains on net investment hedge		**85**	-
AASB101(91) Income tax impact		**(47)**	87
AASB101(82A) *Items that will not be reclassified to profit or loss*			
Revaluation gains for land and buildings	6	**1,495**	1,460
Changes in the fair value of equity investments at FVOCI		**91**	(79)
Remeasurements of retirement benefit obligations		**81**	(143)
AASB101(91) Income tax impact		**(500)**	(371)
Other comprehensive income for the half-year, net of tax		**1,331**	732
Total comprehensive income for the half-year		**13,758**	17,248
Total comprehensive income for the half-year is attributable to:			
Owners of VALUE ACCOUNTS Holdings Limited		**13,259**	16,740
Non-controlling interests		**499**	508
		13,758	17,248
Total comprehensive income for the period attributable to owners of VALUE ACCOUNTS Holdings Limited from:			
Continuing operations		**13,291**	15,906
AASB5(33)(d) Discontinued operations	12	**(32)**	834
		13,259	16,740

Not mandatory

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CA303(1)(a),(2)
AASB134(8)(a)

Condensed consolidated statement of financial position [1-10,18]

AASB134(20)(a)

		Notes	30 June 2025 $'000	31 December 2024 $'000
	ASSETS			
	Current assets			
	Cash and cash equivalents		**35,369**	55,083
	Trade receivables		**16,731**	15,662
AASB15(105)	Contract assets		**2,381**	1,519
	Inventories		**26,780**	22,153
	Other current assets		**144**	491
AASB7(8)(f)	Other financial assets at amortised cost		**677**	1,100
	Financial assets at FVTPL	16	**11,150**	11,300
	Derivative financial instruments	16	**1,634**	1,854
	Current assets excluding assets as held for sale		**94,866**	109,162
	Assets classified as held for sale		**-**	250
	Total current assets		**94,866**	109,412
	Non-current assets			
AASB7(8)(h)	Financial assets at FVOCI	16	**6,637**	6,782
	Financial asset at FVTPL	16	**2,410**	2,390
AASB7(8)(f)	Financial assets at amortised cost		**3,750**	3,496
	Investments accounted for using the equity method	13	**4,230**	3,775
	Derivative financial instruments	16	**310**	308
	Property, plant and equipment	6	**143,480**	128,890
AASB16(47)(a)	Right-of-use assets [16]		**10,108**	9,756
	Investment properties		**12,510**	13,300
	Intangible assets	7	**27,265**	24,550
	Other assets		**247**	312
	Deferred tax assets		**8,209**	7,849
	Total non-current assets		**219,156**	201,408
	Total assets		**314,022**	310,820
	LIABILITIES			
	Current liabilities			
	Trade and other payables		**15,535**	15,760
AASB15(105)	Contract liabilities		**1,025**	1,982
	Borrowings	9	**8,110**	8,400
AASB16(47)(b)	Lease liabilities [16]		**3,105**	3,008
	Derivative financial instruments	16	**1,136**	1,376
	Current tax liabilities		**828**	1,130
	Employee benefit obligations		**800**	690
	Provisions	8	**3,467**	2,697
	Total current liabilities		**34,006**	35,043

AASB134(20)(a)

	Notes	30 June 2025 $'000	31 December 2024 $'000
Non-current liabilities			
Borrowings	9	**94,193**	89,115
Lease liabilities [16]		**8,846**	8,493
Deferred tax liabilities		**9,963**	12,456
Employee benefit obligations		**7,155**	6,749
Provisions		**1,668**	1,573
Total non-current liabilities		**121,825**	118,386
Total liabilities		**155,831**	153,429
Net assets		**158,191**	157,391
EQUITY			
Share capital	10	**83,692**	83,054
Other equity		**1,636**	1,774
Other reserves		**18,907**	17,993
Retained earnings		**44,760**	45,108
Capital and reserves attributable to the owners of VALUE ACCOUNTS Holdings Limited		**148,995**	147,929
Non-controlling interests		**9,196**	9,462
Total equity		**158,191**	157,391

AASB16(47)(b)

Not mandatory

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CA303(1)(a),(2)
AASB134(8)(c)

Condensed consolidated statement of changes in equity [1-10]

AASB134(20)(c)

		Attributable to owners of VALUE ACCOUNTS Holdings Limited						
		Share capital	Other equity	Other reserves	Retained earnings	Total	Non-con-trolling interests	Total equity
	Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2023		**63,976**	**(550)**	**12,381**	**34,503**	**110,310**	**5,689**	**115,999**
Profit for the half-year		-	-	-	16,063	16,063	453	,16,516
Other comprehensive income		-	-	690	(13)	677	55	732
Total comprehensive income for the half-year		**-**	**-**	**690**	**16,050**	**16,740**	**508**	**17,248**
Deferred hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year		-	-	13	-	13	-	13
Transfer of gain on disposal of equity investments at FVOCI to retained earnings		-	-	79	(79)	-	-	-
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs	10	174		-	-	174	-	174
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax		9,730	-	-	-	9,730	-	9,730
Acquisition of treasury shares	10	-	(1,217)	-	-	(1,217)	-	(1,217)
Non-controlling interest on acquisition of subsidiary		-		-	-	-	5,051	5,051
Dividends provided for or paid	5	-		-	(11,507)	(11,507)	(1,710)	(13,217)
Equity-settled share-based payment transactions		-		995	-	995	-	995
Issue of treasury shares to employees	10	-	1,091	(1,091)	-	-	-	-
		9,904	(126)	(96)	(11,507)	(1,825)	3,341	1,516
Balance at 30 June 2024		**73,880**	**(676)**	**13,067**	**38,967**	**125,238**	**9,538**	**134,776**

		Notes	Share capital $'000	Other equity $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
			Attributable to owners of VALUE ACCOUNTS Holdings Limited						
AASB134(20)(c)	**Balance at 31 December 2024**		**83,054**	**1,774**	**17,993**	**45,108**	**147,929**	**9,462**	**157,391**
	Profit for the half-year		-		-	11,997	11,997	430	12,427
	Other comprehensive income		-		1,093	169	1,262	69	1,331
	Total comprehensive income for the half-year		**-**		**1,093**	**12,166**	**13,259**	**499**	**13,758**
	Deferred hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year		-	-	(5)	-	(5)	-	(5)
	Transfer of gain on disposal of equity investments at FVOCI to retained earnings		-	-	(238)	238	-	-	-
	Transactions with owners in their capacity as owners:								
	Contributions of equity, net of transaction costs	10	638	-	-	-	638	-	638
	Acquisition of treasury shares	10	-	(1,270)	-	-	(1,270)	-	(1,270)
	Non-controlling interest on acquisition of subsidiary	11	-	-	-	-	-	1,720	1,720
	Step acquisition of associate	13	-	-	(30)	30	-	-	-
	Dividends provided for or paid	5	-	-	-	(12,782)	(12,782)	(2,485)	(15,267)
	Equity-settled share-based payment transactions		-	-	1,226	-	1,226	-	1,226
	Issue of treasury shares to employees	10	-	1,132	(1,132)	-	-	-	-
			638	**(138)**	**64**	**(12,752)**	**(12,188)**	**(765)**	**(12,953)**
	Balance at 30 June 2025		**83,692**	**1,636**	**18,907**	**44,760**	**148,995**	**9,196**	**158,191**

Not mandatory *The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

CA303(1)(a),(2)
AASB134(8)(d)

Condensed consolidated statement of cash flows [1-10,18]

		Half-year	
		2025	2024
	Notes	**$'000**	$'000
Cash flows from operating activities			
Receipts from customers		**102,115**	92,058
Payments to suppliers and employees		**(83,628)**	(52,175)
		18,487	39,883
Payments for financial assets at FVTPL		**(500)**	-
Proceeds from disposal of financial assets at FVTPL		**830**	165
Insurance recovery relating to fire	3	**-**	300
Transaction costs relating to acquisition of subsidiary	11	**(750)**	(750)
Other revenue		**4,180**	3,145
Interest received		**855**	572
Interest paid		**(3,910)**	(3,869)
Income taxes paid		**(8,124)**	(14,748)
Net cash inflow from operating activities		**11,068**	24,698
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	11	**(10,175)**	(2,600)
Payments for property, plant and equipment	6	**(9,060)**	(2,411)
Payments for investment property		**-**	(1,150)
Payment for acquisition of associate	13	**(405)**	-
Payments for financial assets at FVOCI		**(563)**	(227)
Payments for financial assets at amortised cost		**(90)**	-
Payments for patents and trademarks	7	**(320)**	(9)
Payment of software development costs	7	**(725)**	(58)
Loans to related parties		**(641)**	(330)
Proceeds from sale of engineering division **	12	**-**	3,110
Proceeds from sale of property, plant and equipment		**3,700**	7,495
Proceeds from sale of financial assets at FVOCI		**694**	185
Repayment of loans by related parties		**658**	300
Distributions received from joint ventures and associates		**300**	170
Dividends received		**160**	150
Interest received on financial assets held as investments		**119**	108
Net cash (outflow)/inflow from investing activities		**(16,348)**	4,733
Cash flows from financing activities			
AASB134(16A)(e) Proceeds from issues of shares and other equity securities	10	**241**	-
AASB134(16A)(e) Proceeds from borrowings	10	**12,208**	18,293
Proceeds received under a supplier finance arrangement		**1,520**	1,430
Payments for shares acquired by the VALUE Employee Share Trust	10	**(1,270)**	(1,217)
Share issue costs		**-**	(50)
AASB134(16A)(e) Repayment of borrowings		**(8,450)**	(25,300)
Repayments under a supplier finance arrangement		**(2,040)**	(1,860)
AASB134(16A)(e), AASB107(17)(e) Payments of lease liabilities (principal)		**(946)**	(922)
AASB134(16A)(f) Dividends paid to company's shareholders	5	**(12,384)**	(11,333)
Dividends paid to non-controlling interests in subsidiaries		**(2,485)**	(1,710)
Net cash outflow from financing activities		**(13,606)**	(22,669)
Net (decrease)/increase in cash and cash equivalents *		**(18,886)**	6,762

		Half-year	
		2025	2024
	Notes	**$'000**	$'000
Net (decrease)/increase in cash and cash equivalents *		**(18,886)**	6,762
Cash and cash equivalents at the beginning of the half-year *		**52,432**	28,049
Effects of exchange rate changes on cash and cash equivalents		**(217)**	(384)
Cash and cash equivalents at end of the half-year *		**33,329**	34,427

* Cash and cash equivalents are net of bank overdrafts ($2,040,000 at 30 June 2025 and $2,250,000 at 30 June 2024)

Not mandatory ** For cash flows of discontinued operations see note 12 [17]

Not mandatory *The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

Condensed consolidated interim financial statements

Condensed consolidated interim financial statements

1. An interim financial report contains either a complete set of financial statements as described in AASB 101 *Presentation of Financial Statements* or a set of condensed financial statements as described in AASB 134 *Interim Financial Reporting*.

AASB134(10)

2. If an entity publishes condensed financial statements in its interim financial report, these condensed financial statements should include, at a minimum, each of the headings and subtotals that were included in its most recent annual financial statements and the selected explanatory notes as required by AASB 134.
3. The interim financial report for VALUE ACCOUNTS Holdings Limited contains condensed consolidated interim financial statements, in that it does not include all of the notes that would be required in a complete set of financial statements. However, the primary financial statements are presented in a format consistent with the consolidated financial statements that are required to be presented in the annual financial statements under AASB 101. This is common and considered best practice.
4. In some countries, the extent to which line items can be aggregated in condensed interim financial statements might also be governed by local regulators or stock market requirements.

AASB134(10)

5. Additional line items or notes should be included if their omission would make the condensed interim financial report misleading. Certain transactions might not be significant in the context of the annual financial statements, but they might need to be separately disclosed in the interim report. An example could be costs that are incurred unevenly during the year and that require separate presentation in the interim statement of profit or loss, but not in the annual financial statements.

Periods covered

AASB134(20)(a)-(d)

6. The following tables summarise which primary statements need to be presented by entities that prepare half-yearly or quarterly reports.

AASB134(A1) *Half-yearly reporting for period ended 30 June 2025*

Statement	Current	Comparative
Statement of financial position at	30 June 2025	31 December 2024
Statement of comprehensive income (and separate statement of profit or loss, where applicable): - 6 months ended	30 June 2025	30 June 2024
Statement of changes in equity: - 6 months ended	30 June 2025	30 June 2024
Statement of cash flows: - 6 months ended	30 June 2025	30 June 2024

AASB134(A2)

Quarterly reporting – second quarter interim report for the period ended 30 June 2025

Statement	Current	Comparative
Statement of financial position at	30 June 2025	31 December 2024
Statement of comprehensive income (and separate statement of profit or loss, where applicable): - 6 months ended - 3 months ended	 30 June 2025 30 June 2025	 30 June 2024 30 June 2024
Statement of changes in equity: - 6 months ended	 30 June 2025	 30 June 2024
Statement of cash flows: - 6 months ended	 30 June 2025	 30 June 2024

AASB134(20)(b)

7. For a half-year report, the current interim period and the annual reporting period to date are the same. However, where an entity prepares quarterly interim financial reports, the statement of comprehensive income in the interim financial reports for the second and third quarters will need to include additional columns showing the annual reporting period to date and the comparative annual reporting period to date for the corresponding interim period (see table in paragraph 6 above).
8. This half-year financial report is for a disclosing entity reporting under Part 2M.3 of the *Corporations Act 2001*. If an interim financial report is presented for a different interim reporting period, the heading of the financial statements should specify the interim reporting period covered (such as 'For the quarter ended 31 March 2025' or 'For the third quarter ended 30 September 2025') and the heading for the figures should indicate whether they are presented for a quarter, a half-year or the annual reporting period to date, as appropriate.

Third statement of financial position

IAS1(BC33)

9. AASB 134 has a year-to-date approach to interim reporting and does not replicate the requirements of AASB 101 in terms of comparative information. As a consequence, it is not necessary to provide an additional statement of financial position as at the beginning of the earliest comparative period presented where an entity has made a retrospective change in accounting policies and/or a retrospective reclassification.

Comparatives in interim reports – new disclosing entities

10. Where an entity becomes a disclosing entity and has to prepare an interim financial report for the first time, it will have to provide comparative information for the previous corresponding interim period. This is the case even though the entity would not have prepared a report for that interim period. Entities will not be able to claim that it is impracticable to determine the comparatives retrospectively. Previous relief was removed on transition to IFRS.

Separate statement of profit or loss

AASB101(10A)
AASB134(8A)

11. AASB 101 permits entities to present the components of profit or loss either as part of a single statement of comprehensive income or in a separate statement of profit or loss. If an entity has decided to retain a separate statement of profit or loss in its annual financial statements, it shall also use this format for its interim report.

Earnings per share

AASB134(11),(11A)

12. Entities that are within the scope of AASB 133 *Earnings per Share* shall present basic and dilutive earnings per share (EPS) for the interim period as follows:
    - in the statement of comprehensive income – if the entity presents a single statement; or
    - in the statement of profit or loss – if the entity presents a separate statement of profit or loss and statement of comprehensive income.

AASB133(68)

13. AASB 134 does not specifically require disclosure of EPS for profit from continuing and discontinued operations, but where there are significant discontinued operations, we recommend that they be disclosed separately as required in the annual consolidated financial statements by AASB 133. The EPS from discontinued operations could be disclosed as part of the discontinued operations note, as done in this illustrative interim report (see note 12).

Condensed consolidated interim financial statements

Disclosure of specified separate line items in the financial statements

14. AASB 101 *Presentation of Financial Statements* requires the separate presentation of the following line items in the statement of profit or loss:

AASB101(82)(a)
(a) interest revenue calculated using the effective interest rate method, separately from other revenue; *

AASB101(82)(aa)
(b) gains and losses from the derecognition of financial assets measured at amortised cost; *

AASB101(82)(ba)
(c) impairment losses on financial assets, including reversals of impairment losses or impairment gains;

AASB101(82)(ca)
(d) gains and losses recognised as a result of a reclassification of financial assets from measurement at amortised cost to FVTPL; * and

AASB101(82)(cb)
(e) gains and losses reclassified from OCI as a result of a reclassification of financial assets from the fair value through OCI measurement category to FVTPL *.

* not illustrated, since immaterial or not applicable to VALUE ACCOUNTS Holdings Limited.

AASB101(29),(30),(30A)
PS2(40)-(55)

15. Depending on materiality, it might not always be necessary to present these items separately in the primary financial statements. However, items that are of a dissimilar nature or function can only be aggregated if they are immaterial. Guidance on assessing materiality is provided in the non-mandatory Practice Statement 2 *Making Materiality Judgements.*

AASB16(47)

16. Right-of-use assets and lease liabilities do not need to be presented as a separate line item in the statement of financial position, as done by VALUE ACCOUNTS Holdings Limited, provided that they are disclosed separately in the notes.

Cash flows relating to discontinued operations

AASB5(33)(c)

17. The net cash flows relating to the operating, investing and financing activities of discontinued operations can be presented either on the face of the statement of cash flows or in the notes. VALUE ACCOUNTS Holdings Limited has chosen to disclose this information in the notes. While it is not mandatory to include a reference to this note on the face of the cash flow statement, we consider it best practice to do so.

Alternative formats for financial statements

18. Appendix E to our Value Accounts Holdings - Annual financial reporting publication shows the following alternative formats for the financial statements:
    (a) Statement of profit or loss: classification of expenses by nature; and
    (b) Statement of cash flows prepared using the direct method.

CA303(1)(b)
AASB134(8)(e)

Notes to the condensed consolidated financial statements [40,41]

1 Significant changes in the current reporting period [1,2]

AASB134(6),(15)

Although global market conditions have affected market confidence and consumer spending patterns, the group remains well placed to grow revenues through ongoing product innovation and the recent acquisition of Complete Office Furniture Limited. The group has sufficient working capital and committed financing facilities to service its operating activities and investment commitments as at 30 June 2025. In addition, the group has sufficient headroom to enable it to conform to covenants on its existing borrowings at 30 June 2025.

Not mandatory

The financial position and performance of the group was particularly affected by the following events and transactions during the six months to 30 June 2025:

- A significant increase in revenue from the furniture retail and electronic equipment divisions as a result of business combinations that occurred in the current and previous financial year (see note 11). This more than offset a reduction in revenue in the furniture manufacturing and wholesale segments (see note 2 below).
- An impairment loss of $1,390,000 for the European IT consulting division as a result of an increase in costs due to the projected impact of emissions targets and carbon taxes on travel expenses (see note 7).
- An increase in the provision for legal claims against the Australian furniture manufacturing and wholesale division (see note 8).
- An increase in warranty claims following problems with certain parts used in the manufacture of electronic equipment (see note 8).
- The acquisition of a block of vacant land to expand the production facilities of VALUE Electronics Group (see note 6).
- A new credit facility entered into with a new lender to secure funding for the construction of the new production plant for the electronic equipment division (see note 9). Additionally, the group renegotiated one of its existing loans.
- An increase of the contingent consideration payable in relation to the acquisition of Better Office Furnishings Limited (see note 11).
- The increase of the investment in Cedar Limited from 10% to 30% (see note 13).

Since the end of the interim reporting period, the group has acquired 100% of the issued capital of Complete Office Furniture Limited (see note 18).

[Entities should also consider whether there have been significant developments in relation to tariffs or regulatory environment that could be discussed in this note.][8-13]

For a detailed discussion about the group's performance and financial position please refer to our review of operations on pages 6 to 8.

2 Segment and revenue information [5,38]

AASB134(8)(e), (16A)(g)(v)

(a) Description of segments

VALUE ACCOUNTS Holdings Limited is a diversified group which derives its revenues and profits from a variety of sources. The group's strategic steering committee, consisting of the chief financial officer and the manager for corporate planning, assesses the performance of the group's business operations from both a product and a geographic perspective, and it has identified six reportable segments:

1,2 Furniture – manufacturing and wholesale in Australia and China: the manufacture and sale of commercial office furniture, hardwood side boards, chairs and tables in Australia and in China. The committee monitors the performance in those two regions separately.

3 Furniture – retail: chain and retail stores located in Australia which supplement the manufacturing and wholesale business in that region.

4,5 IT consulting: business IT management, design, implementation and support services are provided in the US and Europe. Performance is monitored separately for those two regions.

6 Electronic equipment: although this segment is not large enough to be required to be reported separately under the accounting standards, it has been included here because it is seen to be a potential growth segment which is expected to materially contribute to group revenue in the future. This segment was established following the acquisition of VALUE Electronics Group in April 2024.

AASB134(16A)(g)(v)

All other segments: the development of residential land, currently in the Someland Canal Estate in Nicetown and the Mountain Top Estate in Alpville, the purchase and resale of commercial properties, principally in Nicetown and Harbourcity and the management of investment properties are not reportable operating segments, because they are not separately included in the reports provided to the strategic steering committee. The results of these operations are included in 'all other segments'.

AASB134(16A)(g)(v)

The engineering division was sold effective from 1 March 2024. Information about this discontinued segment is provided in note 12.

AASB8(23)

(b) Segment information provided to the strategic steering committee [5]

The table below shows the segment information provided to the strategic steering committee for the reportable segments for the half-year ended 30 June 2025 and also the basis on which revenue is recognised:

		Furniture - manufacturing and wholesale		Furniture - retail	IT consulting		Electronic equipment			
	Half-year 2025	**Australia**	**China**	**Australia**	**US**	**Europe**	**Australia**	**All other segments**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
AASB134(16A)(g)(i)	Total segment revenue	31,700	20,165	17,277	13,905	9,370	9,800	3,330	105,547
AASB134(16A)(g)(ii)	Inter–segment revenue	(250)	(150)	(650)	(250)	(200)	(200)	(200)	(1,900)
	Revenue from external customers[14-16]	**31,450**	**20,015**	**16,627**	**13,655**	**9,170**	**9,600**	**3,130**	**103,647**
AASB134(16A)(l)	Timing of revenue recognition								
	At a point in time	31,450	20,015	16,627	1,000	600	9,600	3,130	82,422
	Over time	-	-	-	12,655	8,570	-	-	21,225
		31,450	**20,015**	**16,627**	**13,655**	**9,170**	**9,600**	**3,130**	**103,647**
AASB134(16A)(g)(iii)	**Adjusted EBITDA**	**8,184**	**5,534**	**8,603**	**4,702**	**(1,520)**	**2,896**	**1,929**	**30,328**
	Half-year 2024 [5]								
AASB134(16A)(g)(i)	Total segment revenue	32,434	21,200	6,402	12,049	10,900	4.300	3,119	90,404
AASB134(16A)(g)(ii)	Inter–segment revenue	(600)	(300)	(400)	(500)	(300)	(300)	(300)	(2,700)
	Revenue from external customers[14-16]	**31,834**	**20,900**	**6,002**	**11,549**	**10,600**	**4,000**	**2,819**	**87,704**
AASB134(16A)(l)	Timing of revenue recognition								
	At a point in time	31,834	20,900	6,002	800	950	4,000	2,819	67,305
	Over time	-	-	-	10,749	9,650	-	-	20,399
		31,834	**20,900**	**6,002**	**11,549**	**10,600**	**4,000**	**2,819**	**87,704**
AASB134(16A)(g)(iii)	**Adjusted EBITDA**	**8,503**	**6,403**	**5,710**	**8,301**	**3,450**	**2,620**	**2,164**	**36,791**

(b) Segment information provided to the strategic steering committee

Half-year 2025	Furniture - manufacturing and wholesale Australia	Furniture - manufacturing and wholesale China	Furniture - retail Australia	IT consulting US	IT consulting Europe	Electronic equipment Australia	All other seg-ments	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total segment assets								
30 June 2025	67,480	50,700	63,110	26,970	19,825	31,940	23,699	283,724
31 December 2024	63,286	45,500	54,950	31,640	23,510	32,815	28,632	280,333
Total segment liabilities								
30 June 2025	12,905	5,100	10,051	2,800	2,200	6,938	2,697	42,691
31 December 2024	12,238	4,800	11,390	3,900	2,600	6,087	1,112	42,127

AASB134(16A)(g)(iv) (Total segment assets)
AASB134(16A)(g)(iv) (Total segment liabilities)

The strategic steering committee uses adjusted EBITDA as a measure to assess the performance of the segments. This excludes discontinued operations and the effects of significant items of income and expenses, which might have an impact on the quality of earnings, such as restructuring costs, legal expenses and impairments where the impairment is the result of an isolated, non–recurring event. It also excludes the effects of equity-settled share-based payment transactions and unrealised gains/losses on financial instruments.

Finance income and costs are not allocated to segments, because financing and cash management activities are the responsibility of the group's central treasury function.

AASB134(16A)(g)(vi) A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	Notes	Half-year 2025 $'000	2024 $'000
Adjusted EBITDA		**30,328**	36,791
Intersegment eliminations		**(270)**	(160)
Finance costs – net		**(2,849)**	(2,802)
Depreciation and amortisation expense	6,7	**(6,758)**	(5,697)
Impairment of goodwill and other assets	7	**(1,390)**	(3,620)
Legal expenses		**(1,375)**	-
Fair value gains on financial assets at FVTPL		**245**	105
Share-based payment transactions		**(1,226)**	(995)
Other		**309**	108
Profit before income tax from continuing operations		**17,014**	23,730

Sales between segments are carried out at arm's length and are eliminated on consolidation. The amounts provided to the strategic steering committee with respect to segment revenue and segment assets are measured consistently with the group's external reporting. Segment assets are allocated based on the operations of the segment and the physical location of the asset.

3 Material profit or loss items [8,19-20]

(a) Significant items

		Half-year 2025 $'000	2024 $'000
	Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:		
	Gains		
AASB134(16A)(c)	Gain on sale of land areas (included in other gains/(losses))	**-**	1,270
	Expenses		
AASB134(16A)(c)	Impairment of goodwill (see note 7)	**1,390**	2,410
AASB134(16A)(c)	Provision for legal claim (see note 8)	**1,375**	-
	Re-estimation of warranty provision (see note 8)	**505**	-
	Acquisition-related costs (note 11)	**750**	-
	Remeasurement of contingent consideration (see note 11)	**540**	-
AASB134(16A)(c)	Write off of assets destroyed by fire		
	Office and warehouse building	**-**	465
	Plant and equipment	**-**	210
	Inventories	**-**	535
		-	1,210
	Less: Insurance recovery	**-**	(300)
	Net loss incurred due to the fire	**-**	910

4 Income tax [22,23]

AASB134(30)(c)
AASB134(B12)

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 June 2025 is 35%, compared to 33% for the six months ended 30 June 2024. The tax rate was lower in 2024 due to the recognition of previously unrecognised carried forward tax losses.

AASB112(88A), (88B)
New illustration

The group is within the scope of the OECD Pillar Two model rules, and it applies the AASB 112 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The group incurs top-up taxes due to the Pillar Two legislation that was effective from 1 January 2024. Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate.

The group has estimated that the weighted average effective tax rates exceed 15% in all jurisdictions in which it operates, except for jurisdiction A where one of its subsidiary operates. The group's assessment indicates for jurisdiction A that the estimated weighted average effective tax rate based on accounting profit is 8.3% for the reporting period ending 30 June 2025. Considering the impact of specific adjustments in the Pillar Two legislation, the group recognised an estimated current income tax expense of $38,000 for the reporting period. This is included in income tax expense in the statement of profit or loss.

5 Dividends

	Half-year 2025 $'000	2024 $'000
(a) Ordinary shares		
AASB134(16A)(f) Dividends provided for or paid during the half-year	**12,782**	11,507
(b) 6% cumulative redeemable preference shares		
Dividends on the preference shares classified as liabilities have been recognised in the statement of financial position as payables and have been charged to profit or loss as finance costs.	**330,000**	330,000
(c) Dividends not recognised at the end of the half-year		
Not mandatory — In addition to the above dividends, since the end of the half-year the directors have proposed the payment of an interim dividend of 22 cents per fully paid ordinary share (2024: 20 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 10 October 2025 out of retained earnings at 30 June 2025, but not recognised as a liability at the end of the half-year, is	**12,806**	11,310

6 Property, plant and equipment [4,8,9]

AASB134(15B)(d),(e),(15C)

In June 2025, the group acquired a block of vacant land in Springfield at a cost of $3,000,000. The land will be used for the construction of additional production facilities for the electronic equipment division, and the group has entered into new capital commitments of $12,300,000 in relation to these facilities. Construction is expected to start in October 2025.

		Freehold land $'000	Freehold buildings $'000	Furniture, fittings and equipment $'000	Machinery and vehicles $'000	Assets under construction $'000	Total $'000
	At 31 December 2024						
AASB116(73)(d)	Cost or fair value	22,570	38,930	31,790	90,285	3,450	187,025
AASB116(73)(d)	Accumulated depreciation	-	-	(11,970)	(46,165)	-	(58,135)
	Net book amount	**22,570**	**38,930**	**19,820**	**44,120**	**3,450**	**128,890**
	Half-year ended 30 June 2025						
AASB116(73)(e)	Opening net book amount	22,570	38,930	19,820	44,120	3,450	128,890
AASB116(73)(e)(viii)	Exchange differences	-	-	(10)	(20)	-	(30)
AASB116(73)(e)(iv)	Revaluation surplus	920	575	-	-	-	1,495
AASB116(73)(e)(iii)	Business combinations (note 11)	-	1,000	1,300	9,795	-	12,095
AASB116(73)(e)(i),(74)(b)	Additions	6,850	80	400	1,085	-	8,415
AASB116(73)(e)(ii)	Disposals	(1,070)	(660)	(900)	(940)		(3,570)
	Transfers	-	3,450	-	-	(3,450)	-
AASB116(73)(e)(vii)	Depreciation charge	-	(750)	(765)	(2,300)	-	(3,815)
AASB116(73)(e)	**Closing net book amount**	**29,270**	**42,625**	**19,845**	**51,740**	**-**	**143,480**
	At 30 June 2025						
AASB116(73)(d)	Cost or fair value	29,270	42,625	32,580	100,205	-	204,680
AASB116(73)(d)	Accumulated depreciation	-	-	(12,735)	(48,465)	-	(61,200)
	Net book amount	**29,270**	**42,625**	**19,845**	**51,740**	**-**	**143,480**

7 Intangible assets [4,8-12]

AASB134(15B)(d),(15C)

The intangible assets held by the group increased primarily as a result of the acquisition of Better Office Furnishings Limited. See note 11 for further information.

AASB3(B67)(d)(i)
AASB138(118)(e)

	Goodwill [17] $'000	Patents, trademarks and other rights $'000	Internally generated software $'000	Customer lists and contracts $'000	Total $'000
At 31 December 2024					
Cost	10,715	12,430	3,855	3,180	30,180
Accumulated amortisation and impairment	(2,410)	(1,300)	(710)	(1,210)	(5,630)
Net book amount	**8,305**	**11,130**	**3,145**	**1,970**	**24,550**
Half-year ended 30 June 2025					
Opening net book amount	8,305	11,130	3,145	1,970	24,550
AASB3(B67)(d)(ii) Additions	-	320	725	-	1,045
Business combinations (note 11)	1,360	-	-	3,465	4,825
Impairment charge (a)	(1,390)	-	-	-	(1,390)
Amortisation charge	-	(410)	(150)	(1,205)	(1,765)
Closing net book amount	**8,275**	**11,040**	**3,720**	**4,230**	**27,265**
AASB3(B67)(d)(viii) At 30 June 2025					
Cost	12,075	12,750	4,580	6,645	36,050
Accumulated amortisation and impairment	(3,800)	(1,710)	(860)	(2,415)	(8,785)
AASB101(77) **Net book amount**	**8,275**	**11,040**	**3,720**	**4,230**	**27,265**

(a) Goodwill impairment [10, 12]

Significant estimates

Employees of the European and US IT consulting divisions regularly travel to client sites, often in compressed time frames which do not permit the most carbon-efficient method of travel. Newly adopted emissions targets and carbon taxes in the jurisdictions in which VALUE ACCOUNTS Holdings Limited operates will increase costs for the modes of travel most frequently used by the IT consulting divisions. As a result, the group anticipates that there will be a significant increase in costs for IT consulting related travel. VALUE ACCOUNTS Holdings Limited will not be able to raise prices and pass the increased costs on to customers due to local competition that does not have the same cost structure for travel. Management has therefore recalculated the recoverable amount of the two CGUs as at 30 June 2025. An impairment loss of $1,390,000 was recognised for the European IT consulting CGU, reducing the carrying amount of the goodwill for this CGU to $1,480,000. The recoverable amount of the entire European CGU at 30 June 2025 was $19,963,000.

The recoverable amount of the IT consulting CGU in the US was estimated to be $27,153,000 as at 30 June 2025 (31 December 2024: $36,275,000) which exceeded the carrying amount of the CGU by $123,000 (31 December 2024: $4,560,000). No impairment was therefore required for this CGU.

(a) Goodwill impairment [10, 12]

AASB136(134)(d)(i)

The recoverable amount of the two CGUs was determined based on value-in-use calculations, consistent with the methods used as at 31 December 2024. For details, see note 8(d) of our annual consolidated financial statements. The following table sets out the key assumptions for the two CGUs where the impairment calculations were updated as at 30 June 2025:

AASB136(130)(g), (134)(d)(i),(iv),(v)

	30 June 2025		31 Dec 2024	
	US	**Europe**	US	Europe
Sales volume (% annual growth rate)	**2.1**	**1.5**	3.2	4.1
Sales price (% annual growth rate)	**1.5**	**0.9**	1.7	1.8
Budgeted gross margin (%)	**45**	**40**	60.0	55.5
Other operating costs ($'000)	**9,300**	**7,200**	8,400	5,600
Annual capital expenditure ($'000)	**500**	**280**	500	230
Long term growth rate (%)	**2.4**	**2.1**	2.2	2.0
Pre-tax discount rate (%)	**14.5**	**15.3**	14.0	14.8

The significant decrease in the budgeted gross margin assumption in the current period was primarily due to an increase in costs as a result of the projected impact of emissions targets and carbon taxes on travel expenses, which cannot be passed on to customers.

AASB136(134)(f)(ii), (iii)

The recoverable amount of the IT consulting CGU in the US would equal its carrying amount if the key assumptions were to change as follows:

	30 June 2025		31 Dec 2024	
	From	**To**	From	To
Sales volume (% annual growth rate)	**2.1**	**1.8**	3.2	2.0
Budgeted gross margin (%)	**45**	**42**	60	43
Long-term growth rate (%)	**2.4**	**2.1**	2.2	1.3
Pre-tax discount rate (%)	**14.5**	**14.9**	14.0	15.3

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any other instances that could cause the carrying amount of the US IT Consulting CGU to exceed its recoverable amount.

Since there were no indicators for impairment of any of the other CGUs, management has not updated any of the other impairment calculations.

8 Current provisions [8-9,19-20]

	30 June 2025 $'000	31 December 2024 $'000
Legal claims	**1,835**	460
Service warranties	**1,064**	635
Restructuring costs	**320**	900
Provisions for restoration costs	**248**	225
Contingent liability recognised on acquisition of VALUE Electronics Group	**-**	477
	3,467	2,697

AASB134(16A)(c),(d)

The group has received new legal advice in relation to the claim which alleges that VALUE Manufacturing Limited had breached certain registered patents of a competitor. The advice now states that it is probable that the entity will be required to pay some compensation in relation to this matter. While the VALUE Manufacturing Limited is still vigorously defending the claim, it has recognised a provision of $1,075,000 for this claim as at 30 June 2025.

In January 2025, VALUE Manufacturing Limited also became party to a new claim which alleges that the mishandling of certain chemicals used in the production of its products resulted in their discharge into and contamination of a nearby pond. The group has received initial legal advice that it is probable that the entity will be required to pay for the clean-up in relation to this matter. While the entity is still vigorously defending the claim, it has recognised a provision of $300,000 for this claim as of 30 June 2025.

AASB134(15B)(f), (16A)(d)

The lawsuit against VALUE Electronics Group alleging defects on products supplied to certain customers was settled in April 2025 with a payment of $460,000. The unused amount of $17,000 was reversed to profit or loss.

AASB134(16A)(d)

In May 2025, the group discovered problems with certain parts used in the manufacture of electronic equipment, which resulted in an increase of warranty claims. As a consequence, the estimated rate of claims has been increased in calculating the warranty provision as at 30 June 2025. This resulted in an increase of $505,000 in addition to the $147,000 increase related to normal movements in the provision for the period.

	Contingent liability $'000	Restructuring obligations $'000	Service warranties $'000	Legal claims $'000	Make good provision $'000	Total $'000
Current						
Carrying amount at 1 January 2025	477	900	635	460	225	2,697
Charged/(credited) to profit or loss						
additional provisions recognised	-	-	652	1,375	13	2,040
unused amounts reversed	(17)	-	-	-	-	(17)
unwinding of discount	-		-	-	10	10
Amounts used during the half-year	(460)	(580)	(223)	-	-	(1,263)
Carrying amount at 30 June 2025	**-**	**320**	**1,064**	**1,835**	**248**	**3,467**

9 Borrowings [8-9,13,44]

AASB134(16A)(c),(e)

In June 2025, the group entered into a new credit facility to finance the construction of the new production plant for the electronic equipment division. The total available amount under the facility is $20,000,000 of which $7,000,000 were drawn down as at 30 June 2025. The amounts drawn down are repayable in three annual instalments, commencing 1 June 2028.

AASB134(15C)
AASB34(16A(e))
AASB7(34)

The loan is a 8.2% fixed rate, Australian-dollar denominated loan which is carried at amortised cost. It therefore has not impacted on the group's exposure to foreign exchange and cash flow interest rate risk.

AASB9(B5.4.2)

The group incurred fees of $250,000 for the new credit facility which were recognised as transaction costs to the extent that VALUE ACCOUNTS Holdings Limited had drawn under the credit facility as at 30 June 2025. An amount of $162,500 is carried forward in other current assets and will be recognised as a transaction cost when the remaining balance of the facility is drawn down. This is expected to occur within the next six months, as construction payments become payable.

AASB9(B5.4.6)

In addition, the group also renegotiated one of its existing loans which resulted in the recognition of a modification gain of $80,000 which is included in other gains/(losses) in the statement of profit or loss.

The contractual maturities of the group's financial liabilities were as follows:

Contractual maturities of financial liabilities At 30 June 2025	**Less than 6 months $'000**	**6 – 12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount liabilities $'000**
Non-derivatives							
Trade payables	11,252	-	-	-	-	11,252	11,252
Contingent consideration (note 11)	-	600	650	700	-	1,950	1,820
Borrowings	4,245	4,540	9,500	31,490	55,725	105,500	102,303
AASB16(58) Lease liabilities	1,240	1,280	3,020	5,440	2,290	13,270	11,951
Total non-derivatives	**16,737**	**6,420**	**13,170**	**37,630**	**58,015**	**131,972**	**127,326**

Contractual maturities of financial liabilities At 31 December 2024 [3,4]	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying Amount (assets)/ liabilities $'000
Non-derivatives							
Trade payables	13,700	-	-	-	-	13,700	13,700
Borrowings	4,439	4,639	9,310	46,195	40,121	104,704	97,515
Lease liabilities	1,455	1,456	2,911	5,337	2,340	13,499	11,501
Total non-derivatives	**19,594**	**6,095**	**12,221**	**51,532**	**42,461**	**131,903**	**122,716**

Loan covenants [9]

The group is required to comply with the following financial covenants:

- the gearing ratio must be below 50%; and
- the ratio of net finance cost to EBITDA must not exceed 12%.

The group complied with these ratios throughout the reporting period. As at 30 June 2025, the gearing ratio was 36% (31 December 2024: 21%) and the ratio of net finance cost to EBITDA was 9% (31 December 2024: 7%).

Financing arrangements [9]

The group's undrawn credit facilities were as follows:

	30 June 2025 $'000	**31 December 2024 $'000**
Fixed rate – expiring beyond one year	**13,000**	-
Floating rate		
Expiring within one year (bank overdrafts)	**12,400**	12,400
Expiring beyond one year (bank loans)	**6,160**	9,470
	31,560	21,870

10 Equity securities issued

		2025 Shares (thousands)	2024 Shares (thousands)	2025 $'000	2024 $'000
	Issuance of ordinary shares during the half-year				
AASB134(16A)(e)	Exercise of options issued under the VALUE Employee Option Plan	**46**	-	**241**	-
	Acquisition of subsidiary, net of transaction costs and tax		1,698	**-**	9,730
	Issued for no consideration:				
AASB134(16A)(e)	Shares issued in lieu of cash dividends	**64**	59	**397**	174
		110	1,757	**638**	9,904

		2025 Shares (thousands)	2024 Shares (thousands)	2025 $'000	2024 $'000
	Movements in treasury shares during the half-year				
AASB134(16A)(e)	Acquisition of shares by the VALUE Employee Share Trust	**(201)**	(207)	**(1,270)**	(1,217)
AASB134(16A)(e)	Employee share scheme issue	**183**	186	**1,132**	1,091
	Net movement	**(18)**	(21)	**(138)**	(126)

AASB134(16A)(i)

11 Business combination [3,19,21,40]

(a) Current period

AASB3(B64)(a)-(d)

On 15 February 2025, VALUE ACCOUNTS Holdings Limited acquired 87.5% of the issued shares in Better Office Furnishings Limited, a retailer of office furniture and equipment, for consideration of $12,030,000. The acquisition is expected to increase the group's market share and reduce costs through economies of scale.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

AASB3(B64)(f)

	$'000
Purchase consideration	
Cash paid	10,750
Contingent consideration (see (ii) below)	1,280
Total purchase consideration	12,030

AASB3(B64)(i)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	575
Property, plant and equipment (note 6)	12,095
Customer list (note 7)	2,285
Customer contracts (note 7)	1,180
Inventories	1,010
Receivables	685
Payables	(2,380)
Employee benefit obligations	(230)
Borrowings	(3,250)
Net deferred tax assets	420
Net identifiable assets acquired	**12,390**
Less: non-controlling interest	(1,720)
Add: goodwill	1,360
	12,030

AASB3(B64)(e),(k)

Goodwill is attributable to Better Office Furnishings Limited's strong position and profitability in trading in the office furniture and equipment market and synergies expected to arise as a result of the acquisition. Goodwill has been allocated to the furniture-retail segment. Goodwill is not tax deductible. See note 7 for changes in goodwill.

AASB3(B67)(a)

The fair value of the acquired customer list and customer contracts of $3,465,000 is provisional pending receipt of the final valuations. The group recognised a related deferred tax liability amounting to $1,040,000.

(i) Acquisition-related costs

AASB3(B64)(m)

Direct transaction costs of $750,000 are included in administrative expenses in profit or loss.

(a) Current period

(ii) Contingent consideration

AASB3(B64)(g) The contingent consideration arrangement requires the group to pay the former owners of Better Office Furnishings Limited 20% of the average profit of Better Office Furnishing Limited in excess of $2,000,000 for three years from 2025 to 2027, up to a maximum undiscounted amount of $2,000,000. There is no minimum amount payable.

The fair value of the contingent consideration arrangement of $1,280,000 was estimated calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8% and assumed probability-adjusted profit in Better Office Furnishing Limited between $4,200,000 and $4,400,000.

AASB3(B67)(b),(58) As at 30 June 2025, there was an increase of $540,000 recognised in other gains/losses in profit or loss for the contingent consideration arrangement, because the assumed probability-adjusted profit in Better Office Furnishings Limited was recalculated to be in the region of $5,000,000 to $5,300,000. The liability is presented within trade and other payables in the statement of financial position.

(iii) Acquired receivables

AASB3(B64)(h) The fair value of trade and other receivables is $685,000 and includes trade receivables with a fair value of $623,000. The gross contractual amount for trade receivables due is $705,000, of which $82,000 is expected to be uncollectible.

(iv) Non-controlling interest

AASB3(B64)(o) The group has chosen to recognise the non-controlling interest (NCI) at its fair value. The fair value of the NCI in Better Office Furnishings Limited, an unlisted company, was estimated by applying a market approach and an income approach. The fair value estimates are based on:

(a) an assumed discount rate of 8%;

(b) an assumed terminal value based on a range of terminal EBITDA multiples between three and five times;

(c) long-term sustainable growth rate of 2%;

(d) assumed financial multiples of companies deemed to be similar to Better Office Furnishings Limited; and

(e) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the NCI in Better Office Furnishings Limited.

(v) Revenue and profit contribution

AASB3(B64)(q) The acquired business contributed revenues of $16,230,000 and net profit of $2,675,000 to the group for the period from 15 February 2025 to 30 June 2025. If the acquisition had occurred on 1 January 2025, consolidated revenue and consolidated profit after tax for the half-year ended 30 June 2025 would have been $109,070,000 and $12,676,000 respectively.

(b) Prior period [3]

On 1 April 2024, the parent entity acquired 70% of the issued share capital of VALUE Electronics Group. Details of this business combination were disclosed in note 14 of the group's annual financial statements for the year ended 31 December 2024.

12 Discontinued operation [3,19,21]

(a) Description

AASB134(16A)(c),(i) On 30 October 2023, the group announced its intention to exit the engineering business and initiated an active program to locate a buyer for its German subsidiary, VALUE Engineering GmbH. The subsidiary was sold on 28 February 2024 and was reported in the financial statements for the half-year ended 30 June 2024 as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal and for subsequent adjustments to contingent consideration is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented reflects the operations for the two months ended 28 February 2024 and subsequent adjustments to the contingent consideration receivable.

		Half-year	
		2025 **$'000**	2024 $'000
	Revenue	-	4,200
	Expenses	-	(3,939)
AASB5(35)	Other gains/(losses) (revaluation of contingent consideration receivable)	**(45)**	-
	(Loss)/profit before income tax	**(45)**	261
	Income tax benefit/(expense)	**13**	(78)
	(Loss)/profit after income tax of discontinued operation	**(32)**	183
	Gain on sale of subsidiary after income tax (see (c) below)	-	481
	(Loss)/profit from discontinued operation	**(32)**	664
	Exchange differences on translation of discontinued operation	-	170
	Other comprehensive income from discontinued operation	-	170
	Net cash inflow from ordinary activities	-	1,166
	Net cash inflow from sale of the division reported as investing activities	-	3,110
	Net increase in cash generated by the discontinued operations	-	4,276
		Cents	Cents
AASB133(68)	Basic earnings per share from discontinued operations	0.1	1.2
	Diluted earnings per share from discontinued operations	0.1	1.2

(c) Details of the sale of the subsidiary

	Half-year	
	2025 **$'000**	2024 $'000
Consideration received or receivable:		
Cash	-	3,110
Fair value of contingent consideration	-	1,200
Total disposal consideration	-	4,310
Carrying amount of net assets sold	-	(3,380)
Gain on sale before income tax and reclassification of foreign currency translation reserve	-	930
Reclassification of foreign currency translation reserve		(170)
Income tax expense on gain	-	(279)
Gain on sale after income tax	-	481

In the event that the operations of the subsidiary achieve certain performance criteria during the period 1 March 2024 to 28 February 2025 as specified in the earn out clause in the sale and purchase agreement, the group will be entitled to an additional cash consideration of up to $2,400,000. The fair value of the consideration was determined initially to be $1,200,000 and was recognised as a financial asset at FVTPL. The fair value of the consideration had increased to $1,290,000 as at 31 December 2024.

AASB5(35) As at 30 June 2025, the fair value was estimated to be $1,245,000 (note 16). The change in fair value of $45,000 relates to the remeasurement of the expected cash flows and is presented in the statement of profit and loss within result from discontinued operations, net of tax of $13,000.

AASB134(16A)(i)

13 Interests in associates and joint ventures [24]

On 15 February 2025, VALUE ACCOUNTS Holdings Limited increased its investment in Cedar Limited from 10% to 30% for a cash consideration of $400,000 plus $5,000 transaction costs. As a consequence, VALUE ACCOUNTS Holdings Limited gained significant influence over this investment and the investment was reclassified from a financial asset at FVOCI to an associate.

The carrying amount of the investment was $150,000, including fair value gains of $30,000 that had been recognised in other reserves. The group's accounting policy for step acquisitions of associates is to measure the cost as the sum of the fair value of the interest previously held plus the fair value of the additional consideration transferred (totalling $550,000). Consequently, the transaction costs of $5,000 were expensed as incurred and recognised in administrative expenses. Consistent with the group's policy to transfer any amounts recognised in the FVOCI reserve to retained earnings upon disposal of an investment, $30,000 were transferred to retained earnings.

The carrying amount of equity-accounted investments has changed as follows in the six months to June 2025:

	Half-year ending 30 June 2025 $'000
Beginning of the period	3,775
Additions	550
Profit for the period	205
Dividends paid	(300)
End of the period	**4,230**

14 Contingencies [8,9]

(a) Contingent liabilities

AASB134(15B)(m)

A claim for unspecified damages was lodged during the period against the furniture division. The company has disclaimed liability and is defending the action. No provision in relation to the claim has been recognised in the financial statements, as legal advice indicates that it is not probable that a significant liability will arise.

AASB134(16A)(c),(15B)(f)

The claim lodged against VALUE Retail Limited in December 2023 and disclosed in note 17 of the annual financial statements was settled during the interim period. A payment of $25,000 was made to the claimant.

15 Related party transactions [8-9,19-20]

AASB134(15),(15B)(j)

During the half-year ended 30 June 2025, VALUE ACCOUNTS Holdings Limited entered into a contract with Combined Construction Company Proprietary Limited in connection with the construction of the new production facilities for the electronic equipment division. A director of VALUE ACCOUNTS Holdings Limited, Mr A L Cunningham, is also a director and shareholder of Combined Construction Company Proprietary Limited. The contract is a fixed price contract for the sum of $1,300,000. It is based on normal commercial terms and conditions.

16 Fair value measurement of financial instruments [2,9,26,40]

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

AASB134(15B)(h),(15C)

To provide an indication about the reliability of the inputs used in determining fair value, the group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2025 and 31 December 2024 [4] on a recurring basis:

AASB13(93)(a),(b)

At 30 June 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets at FVTPL				
US unlisted equity securities	-	-	2,350	2,350
US listed equity securities	2,825	-	-	2,825
Australian listed equity securities	5,975	-	-	5,975
Preference shares – property sector	-	1,165	-	1,165
Other (contingent consideration; note 12)	-	-	1,245	1,245
Hedging derivatives – interest rate swaps	-	310	-	310
Hedging derivatives – foreign currency options	-	1,634	-	1,634
Financial assets at FVOCI				
Equity securities – property sector	1,412	-	-	1,412
Equity securities – retail sector	2,628	-	-	2,628
Equity securities – biotech sector	-	-	1,180	1,180
Debentures – property sector	340	-	-	340
Debentures – retail sector	372	705	-	1,077
Total financial assets	**13,552**	**3,814**	**4,775**	**22,141**
Financial liabilities				
Contingent consideration payable (note 11)	-	-	1,820	1,820
Hedging derivatives – foreign currency forwards	-	566	-	566
Trading derivatives	-	355	215	570
Total financial liabilities	**-**	**921**	**2,035**	**2,956**

At 31 December 2024 [4]	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets at FVTPL				
US listed equity securities	5,190	-	-	5,190
Australian listed equity securities	6,110	-	-	6,110
Preference shares – property sector	-	1,100	-	1,100
Contingent consideration – note 12	-	-	1,290	1,290
Hedging derivatives – interest rate swaps	-	453	-	453
Trading derivatives – foreign currency options	-	1,709	-	1,709
Financial assets at FVOCI				
Equity securities – property sector	1,286	-	-	1,286
Equity securities – retail sector	2,828	-	-	2,828
Equity securities – forestry sector	-	-	1,150	1,150
Debentures – property sector	378	-	-	378
Debentures – retail sector	350	790	-	1,140
Total financial assets	**16,142**	**4,052**	**2,440**	**22,634**
Financial liabilities				
Hedging derivatives – foreign currency forwards	-	766	-	766
Trading derivatives	-	275	335	610
Total financial liabilities	-	**1,041**	**335**	**1,376**

(a) Fair value hierarchy

AASB134(15B)(h),(k),(15C),(16A)(j) AASB13(93)(c),(e)(iv)

In March 2025, a major investment of VALUE ACCOUNTS Holdings Limited was delisted. As it is no longer possible to determine the fair value of this investment using quoted prices or observable market data, it has been reclassified from level 1 into level 3.

AASB13(95)

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

AASB13(93)(a),(b),(d)

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2025.

AASB13(76),(91)(a)

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

AASB13(81),(91)(a),(93)(d)

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over–the–counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

AASB13(86),(91)(a),(93)(d)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

(b) Valuation techniques used to determine fair values

AASB13(93)(d)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves;
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the reporting date;
- for foreign currency options – option pricing models (e.g. Black-Scholes model); and
- for other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, except for unlisted equity securities, a contingent consideration receivable and certain foreign currency forwards explained in (c) below.

(c) Fair value measurements using significant unobservable inputs (level 3)

AASB134(15B)(k),(15C)

The following table presents the changes in level 3 instruments for the half-year ended 30 June 2025: [4]

AASB13(93)(e)

	Unlisted equity securities $'000	Trading derivatives at FVTPL $'000	Contingent consideration receivable $'000	Contingent consideration payable $'000	Total $'000
Opening balance 31 December 2024	**1,150**	**(335)**	**1,290**	**-**	**2,105**
Transfer from level 1 (AASB13(93)(e)(iv))	2,350	-	-	-	**2,350**
Disposals	(100)	-	-	-	**(100)**
Acquisitions	-	3	-	(1,280)	**(1,277)**
Gains recognised in other income *	-	117	-	(540)	**(423)**
Losses recognised in discontinued operations *	-	-	(45)	-	**(45)**
(Losses)/gains recognised in other comprehensive income	130	-	-	-	**130**
Closing balance 30 June 2025	**3,530**	**(215)**	**1,245**	**(1,820)**	**2,740**
* includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period (AASB13(93)(f))	-	93	(45)	(540)	(492)

(c) Fair value measurements using significant unobservable inputs (level 3)

(i) Transfers between levels 2 and 3 and changes in valuation techniques

AASB13(93)(d),(h)(ii)

The group further assessed the need for transfers between the levels given the changes in economic conditions and considering whether a lack of observable information existed for factors relevant to the value of certain instruments.

AASB13(93)(d),(h)(ii)

However, other than the transfer of equity securities from level 1 to level 3 explained under (a) above, there were no transfers required between the levels of the fair value hierarchy in the six months to 30 June 2025. The group also did not change any valuation techniques in determining the level 2 and level 3 fair values.

(ii) Valuation inputs and relationships to fair value

AASB13(93)(d),(99)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how a reasonable possible change in the input would affect the fair values:

AASB13(93)(d),(h)(i

Description	Fair value at 30 June 2025 $'000	Unobser-vable inputs *	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	3,530	Earnings growth factor	2.5% - 3.5% (3%)	Increased earnings growth factor (+50 basis points (bps)) and lower discount rate (-100 bps) would increase FV by $190,000; lower growth factor (-50 bps) and higher discount rate (+100 bps) would decrease FV by $220,000.
		Risk-adjusted discount rate	9% - 11% (10%)	
Trading derivatives	(215)	Credit default rate	25%	A shift of the credit default rate by +/- 5% results in a change in FV of $60,000
Contingent consideration receivable	1,245	Risk-adjusted discount rate	14%	A change in the discount rate by 100 bps would increase/ decrease the FV by $200,000
		Expected cash inflows	$1,950,000 - $2,170,000 ($2,020,000)	If expected cash flows were 10% higher or lower, the FV would increase/decrease by $55,000
Contingent consideration payable	(1,820)	Risk adjusted discount rate	8%	A change in the discount rate by 100 bps would increase/decrease the fair value by $52,000
		Expected revenues	$5,200,000 - $5,500,000	If expected revenues were 10% higher or lower, the fair value would increase/decrease by $400,000

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

AASB13(93)(g)

(iii) Valuation processes

The finance department of the group includes a team that performs the valuations of financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every six months, in line with the group's half-yearly reporting periods.

(c) Fair value measurements using significant unobservable inputs (level 3)

The main level 3 inputs used by the group in measuring the fair value of financial instruments are derived and evaluated as follows:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by VALUE ACCOUNTS Holdings Limited's internal credit risk management group.
- Earnings growth factor for unlisted equity securities: these are estimated based on market information for similar types of companies.
- Contingent consideration receivable and payable – expected cash inflows: these are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the valuation discussion between the CFO, AC and the valuation team. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

(d) Fair values of other financial instruments (unrecognised)

AASB134(16A)(j)
AASB7(25)
AASB7(29)(a)

The group also has a number of financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since their floating interest rate is either close to current market level or the instruments are short-term in nature. Significant differences were identified for the following instruments at 30 June 2025:

	Carrying amount $'000	Fair value $'000
Non-current receivables		
Loans to key management personnel	520	455
Financial assets at amortised cost		
Debentures	750	885
Zero coupon bonds	550	773
Non-current borrowings		
Bank loans	42,852	45,100
Convertible notes	16,830	17,505
Redeemable preference shares	11,000	9,240

17 Basis of preparation of half-year report [1-2,8,35-37]

AASB134(19)

These condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2025 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

AASB134(6)
Not mandatory

The interim report does not include all the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024. [36]

AASB134(16A)(a)

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended accounting standards as set out below. [35]

(a) New and amended accounting standards adopted by the group [42-49]

AASB108(28)(a)
Revised requirements

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.[43]

(b) Impact of accounting standards issued but not yet applied by the entity [38,39]

AASB108(30))
Revised requirements

[Entities that could be expected to be significantly impacted by the adoption of any of the amendments made to accounting standards that are not yet mandatory should consider whether there is any information that they should provide in the interim financial report.][38]

18 Events occurring after the reporting period [25]

AASB134(16A)(h)

On 31 July 2025, VALUE ACCOUNTS Holdings Limited acquired all of the issued shares in Complete Office Furniture Limited, a manufacturer and retailer of premium office furniture and equipment, for cash consideration of $4,500,000.

The provisionally determined fair value of the net identifiable assets of the company at the date of acquisition was $4,090,000 and the purchased goodwill amounted to $410,000.

The acquisition has not impacted the financial effects for the interim period ended 30 June 2025. The operating results and assets and liabilities of the acquiree will be consolidated from 31 July 2025 onwards.

Refer to note 5 for dividends proposed to be declared since the end of the reporting period.

Commentary on the notes to the condensed consolidated financial statements

Structure of notes

1. We have structured our interim report using the same principles as applied in the annual financial statements. Like the annual financial statements, the interim report includes a summary of significant events and transactions upfront, to help readers get a better picture of the entity's performance and of any changes to the entity's financial position during the interim period.
2. Focusing on the relevance of information, we have moved information to the back of the notes that we do not consider immediately relevant for an understanding of the major changes to the financial position and performance of the group during the interim period. For example, the information about the valuation of financial instruments must be disclosed in all interim reports, regardless of whether there have been significant changes during the period. For entities with only a limited amount of financial instruments and no major changes, this information will generally be of little interest and so has been moved to the back end of the report. However, this will not be the same for all, and each entity should consider what structure would be most useful in its own circumstances.

Comparative information

Narrative disclosures

AASB134(16A)(j)

3. AASB 134 does not comment on whether narrative information that was disclosed in the interim financial report for the comparative period must be repeated in the current interim financial report. However, in accordance with paragraph 6 of AASB 134, the interim financial report is intended to provide an update on the last complete set of annual financial statements. It should therefore focus on new activities, events and circumstances, and it does not need to duplicate information previously reported. On this basis, we do not believe that it is necessary to repeat business combination disclosures that were also included in the latest annual financial statements. However, we have chosen to retain the comparative disclosures for the discontinued operation, since this disclosure explains amounts separately presented in the statement of profit or loss for the comparative period. These amounts might not necessarily be the same as the amounts reported in relation to the discontinued operation in the latest annual financial statements.

Roll-forward information

AASB134(16A)(g)

4. There is also a question as to whether comparative information is required for roll-forward information, such as the table showing movements in property, plant and equipment or in relation to the financial instrument disclosures. For the same reasons as set out in the previous paragraph, we do not believe that comparative roll-forward information is required under AASB 134. However, it might be necessary in certain circumstances to provide context for a particular transaction or event that is significant to an understanding of the changes in the entity's financial position and performance.

Segment information

5. Under AASB 134, segment information must be included in interim reports for the year to date, but the standard does not specifically require the disclosure of segment information for additional periods for which a statement of profit or loss is presented in an interim report. We believe such disclosure would be helpful to the users of the interim report and it is likely to be consistent with the management commentary. Management should, therefore, consider providing segmental information for each period for which the statement of profit or loss is presented, including comparative figures.

Materiality

AASB134(23)
AASB101(7)
AASB PS2

6. Paragraph 23 of AASB 134 requires management to assess materiality in relation to the interim period financial data when deciding how to recognise, measure, classify or disclose an item for interim financial reporting purposes. In making assessments of materiality, interim measurements might rely on estimates to a greater extent than measurements of annual financial data.
7. While materiality judgements are always subjective, the overriding concern is to ensure that an interim financial report includes all the information that is relevant to an understanding of the financial position and performance of the entity during the interim period. It is therefore generally inappropriate to base quantitative estimates of materiality on projected annual figures. Guidance on assessing materiality is provided in the non-mandatory Practice Statement 2 *Making Materiality Judgements*

Commentary on the notes to the condensed consolidated financial statements

Significant events and transactions

AASB134(15),(15B)

8. Interim financial reports must include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. AASB 134 provides examples of events or transactions that might need to be disclosed, but please note that the list is not exhaustive.

AASB134(15C)

9. The information disclosed in relation to these events and transactions should update the relevant information presented in the most recent annual financial statements and that is required under other accounting standards (such as AASB 7). For example, VALUE ACCOUNTS Holdings Limited has acquired a significant land area during the six month period ended 30 June 2025, entered into a new credit facility and re-negotiated an existing loan, among other significant events discussed in Note 1. To show the impact of the acquisition on total property, plant and equipment, we have updated the reconciliation of property, plant and equipment from the last financial statements. We have also updated the liquidity risk disclosures to reflect the revised payment terms resulting from the new and re-negotiated loans.
10. If climate change matters create uncertainties that affect the assumptions used by the entity to develop estimates (such as exposure to credit losses for financial assets, impairment calculations, useful lives of depreciable assets or long-term non-financial obligations), and there have been changes to those assumptions since the last annual financial report, the entity should explain how this has affected these estimates. Changes to assumptions might be necessary, for example, as follows:
    (a) revision of useful economic lives and residual values of certain assets that will be replaced earlier than expected by more energy-efficient alternatives;
    (b) updating cash flow forecasts to incorporate the increased costs of carbon emissions;
    (c) forecasting the impact of climate change on operating margins;
    (d) a public statement about an entity's new or revised plans to decarbonise its operations;
    (e) to address commentary or metrics provided in a published sustainability report; or
    (f) changes to segment aggregation caused by climate impacts on the production processes and regulatory environments for the products offered in the operating segments.

    Further guidance on determining the impact of climate-related matters on financial reports is included in our In depth INT2021-11 *Impact of ESG matters on IFRS financial statements* and which can be accessed from Viewpoint.
11. Similarly, if the entity has recognised an impairment loss during the interim reporting period, it should consider which of the disclosures made in the annual consolidated financial statements would need to be updated in the interim report, to give users sufficient context and information about the uncertainties associated with the impairment calculations. We have illustrated what we would consider appropriate in the context of VALUE ACCOUNTS Holdings Limited's fictional scenario. Depending on the individual circumstances, more or fewer disclosures might be required.
12. The implementation of new tariffs, along with the possibility of reciprocal tariffs, may impact businesses across many industries. Entities might face complex operational and compliance challenges due to the number of items potentially subject to tariffs and ongoing uncertainty surrounding tariff policies. These complexities give rise to a number of financial reporting considerations. Management should collaborate closely with their legal, compliance and operations teams to proactively identify and assess additional risks related to tariffs that could affect operating results, liquidity and financial reporting. Examples of areas that may need to be considered include cost capitalisation, contracts with customers, impairment of non-financial assets, income tax considerations, going concern assessments and disclosure of risks and uncertainties, including sensitivities to key assumptions. Refer to In brief INT2025-08 *Tariffs: the price tag of global trade on financial reporting*.

Commentary on the notes to the condensed consolidated financial statements

AASB134(15C)

13. Another example of disclosures that might require updating in the interim report would be the offsetting disclosures that are required under AASB 7. The disclosures provided in the annual financial statements (see note 23) should be updated if there have been any changes to the offsetting arrangements in the interim period. Entities should remember that the disclosures also cover master netting and similar arrangements that are not currently enforceable - see the commentary to note 23 in our Value Accounts Holdings - Annual financial reporting publication for further information.

Disaggregation of revenue

AASB15(114), (B87)-(B89)

14. Entities must disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will depend on the specific circumstances of each entity as to how much detail is disclosed. VALUE ACCOUNTS Holdings Limited has determined that a disaggregation of revenue using existing segments and the timing of the transfer of goods or services (at a point in time versus over time) is adequate for its circumstances. However, this is a judgement and will not necessarily be appropriate for other entities.
15. Other categories that could be used as a basis for disaggregation include:
    (a) type of good or service (such as major product lines);
    (b) geographical regions;
    (c) market or type of customer;
    (d) type of contract (such as fixed price versus time-and-materials contracts);
    (e) contract duration (short-term versus long-term contracts); or
    (f) sales channels (directly to customers vs wholesale).
16. When selecting categories for the disaggregation of revenue, entities should also consider how their revenue is presented for other purposes (for example, in earnings releases, annual consolidated financial statements or investors presentation), and what information is regularly reviewed by the chief operating decision-makers. Where revenue is disaggregated on a basis other than reportable segments, the entity must disclose sufficient information so users of its financial statements can understand the relationship between the disaggregated revenue and the revenue information that is disclosed for each reportable segment.

AASB15(115)

Impact of inflation and increased economic uncertainty on impairment testing

17. The long-term growth rate should be reasonable in comparison to long-term inflation expectations, where a cash flow is prepared on a nominal basis. Nominal long-term growth rates in excess of long-term nominal GDP growth imply that the business will eventually grow at a rate faster than the economy itself. This is unlikely to be appropriate. The long-term growth rate should be corroborated using external evidence. For guidance, see our In depth INT2022-12 *Navigating IFRS Accounting Standards in periods of rising inflation and interest rates*.
18. In times of greater uncertainty in the economic environment, an entity should incorporate these uncertainties in impairment testing by applying probability weightings to multiple cash-flow scenarios Where uncertainty in the economic environment has increased, the established methods for calculating the WACC should continue to be used. However, a reassessment of each input into the calculation and assessment of the overall result is needed. Whilst inflation and interest rates might be stabilising or decreasing in some jurisdictions, entities might still be exposed to additional risks in this regard. Entities will need to continue to update their judgements, estimates and disclosures.

Other disclosures

AASB134(16A)

19. In addition to disclosing significant events and transactions (as explained in paras 8 to 13 above), an entity should include the information set out in paragraph 16A of AASB 134 in the notes to the interim financial statements, unless the information is not material or is disclosed elsewhere in the interim financial report. The information should normally be reported on an annual reporting period to date basis. Where the information is disclosed elsewhere, the entity must provide a cross-reference from the interim financial statements to the location of that information, and make the information available to users on the same terms and at the same time as the interim financial statements.

Commentary on the notes to the condensed consolidated financial statements

Unusual items

AASB134(16A)(c)

20. Disclosure is required of the nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence.

Changes in the composition of the entity

AASB134(16A)(i)

21. AASB 134 requires interim financial reports to disclose the effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations. In the case of business combinations, the entity should disclose the information required to be disclosed under paragraphs 59 – 62 and B64 – B67 of AASB 3. If the goodwill relating to the acquisition is material, the disclosure should also include a reconciliation of goodwill as per paragraph B67(d) of AASB 3. See also commentary paragraph 40 below for disclosures that are not applicable to VALUE ACCOUNTS Holdings Limited and therefore are not illustrated in note 11.

Income tax – OECD Pillar Two model rules

AASB112(88A),(88B),(88C)
AASB134(15),(15A)
Revised illustration

22. The OECD Pillar Two model rules are designed to implement a minimum tax regime for multinational groups. Entities that operate in countries where Pillar Two rules have been enacted or substantively enacted will need to apply the exception provided by the AASB from complying with the requirements of AASB 112 Income Taxes and disclose that fact in the notes. If an entity expects to be significantly affected by the enactment or substantive enactment of Pillar Two taxes, it should disclose information that enables users of its financial statements to evaluate the financial effect of the legislation. Entities must also separately disclose the current tax expense related to Pillar Two income taxes.
23. In December 2024, Australia's Pillar Two legislation to implement the Global and Domestic Minimum Tax was passed into law. The IIR (Income Inclusion Rule) and DMT (Domestic Minimum Top-up Tax) applied for fiscal years commencing on or after 1 January 2024. Additionally, the UTPR (Undertaxed Profits Rule) applies for fiscal years commencing on or after 1 January 2025. Entities in the scope of the legislation need to calculate and recognise their Pillar Two tax expenses.

Step acquisition of associates

24. There are two approaches that could be adopted when an investor increases their stake in another entity and an existing equity investment measured at fair value becomes an associate for the first time. Those two methods are:

IFRS IC Agenda decision
January 2019

(a) 'Cost of each purchase' method: the cost of an associate acquired in stages is measured as the sum of the cost of the most recent purchase, plus transaction costs, plus the starting cost. The starting cost is the original consideration paid for each purchase, plus a share of the investee's subsequent profits and other equity movements (such as revaluations) for each purchase up to the date it becomes an associate. The difference between the fair value of the initial investment and its starting cost is recognised through profit or loss, even if the original change in the fair value was recognised in OCI.

IFRS IC Agenda decision
July 2009

(b) 'Fair value as deemed cost' method (by analogy with AASB 3): The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held, plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Previously held interests would have been measured at fair value under AASB 9 with changes in fair value recognised in either profit or loss or OCI. The reclassification of fair value changes recognised in OCI to profit or loss are not allowed and remain in OCI or might be transferred to retained earnings (AASB 9 paras 4.1.4, 5.7.5 and B5.7.1). Because this method is based on analogy with AASB 3, any acquisition-related costs are expensed in the period in which the costs are incurred. This is different from acquisition-related costs on initial recognition of an associate at cost, since they form part of the carrying amount of the associate. This is the method used by VALUE ACCOUNTS Holdings Limited and illustrated in note 13 of this interim report.

The accounting method chosen by the entity should be applied consistently for all such transactions whereby an entity increases its investment from a portfolio investment to an associate undertaking.

Commentary on the notes to the condensed consolidated financial statements

Events occurring after the reporting period

AASB134(16A)(h)

25. The interim financial report should disclose events after the interim period that have not been reflected in the interim financial statements. Such disclosure would normally also include an indication of the financial effect of each event, where possible.

Fair value measurement

AASB134(16A)(j)
AASB13(91)-(93)(h), (94)-(96),(98),(99)
AASB7(25),(26), (28)-(30)

26. Entities must also provide detailed information about the fair value measurements of their financial instruments, regardless of whether there have been significant changes or transactions during the interim period. This includes information about:
    (a) the recognised fair value measurements at the end of the interim period;
    (b) for financial assets and financial liabilities that are not measured at fair value, the fair value such that it can be compared with the carrying amount;
    (c) for non-recurring fair value measurements, the reason for the measurement;
    (d) the level of the fair value hierarchy within which the measurements are categorised;
    (e) the amount of transfers between level 1 and level 2 of the hierarchy, the reasons for those transfers and the entity's policy for determining when transfers have occurred;
    (f) for level 2 and level 3 measurements, a description of the valuation techniques and inputs used, changes in the valuation techniques used and reasons for changes. For level 3 measurements also quantitative information about significant unobservable inputs used;
    (g) for level 3 measurements, a reconciliation from opening to closing balances, showing separately a number of specifically identified items;
    (h) for recurring level 3 measurements, the amount of unrealised gains or losses for the period that is attributable to assets and liabilities held at the end of the reporting period;
    (i) for level 3 measurements, a description of the valuation processes used by the entity;
    (j) for recurring level 3 measurements, a narrative description of the sensitivity of the fair value to changes in unobservable inputs and the effect of changes to unobservable inputs if such changes have a significant effect on the fair value; and
    (k) the existence of inseparable third-party credit enhancements.

    Note that AASB 134 requires this information for financial instruments only, and not for non-financial assets and liabilities. However, where an entity has revalued non-financial assets or liabilities to fair value during the interim reporting period, or measured non-financial assets or liabilities at fair value for the first time, it should consider providing similar disclosures if the amounts involved are material. For further commentary around the fair value disclosures required under AASB 13 see commentary 17-18 to note 7 in our Value Accounts Holdings - Annual financial reporting publication.

Commentary on the notes to the condensed consolidated financial statements

Impact of high inflation and interest rates on fair value measurements

27. Entities might need to consider the impact of changes in economic conditions on the fair value measurement, having regard to both direct and indirect impacts.
28. Valuation best practices support the use of multiple valuation techniques when estimating the fair values. In some circumstances, it might be appropriate to change the methodology (for example, from a market multiple approach to a discounted cash flow approach) or change the weighting where multiple valuation techniques are used, where the change results in a measurement that is equally or more representative of the fair value. This change would be considered a change in accounting estimate.
29. A change in the fair value measurement affects the disclosures required by AASB 13 about the valuation techniques and the inputs used in the fair value measurement, as well as the sensitivity of the valuation to changes in assumptions. For example, for the inputs disclosed in note 16(c), there might be additional indirect impacts from rising inflation and interest rates, such as changes to the credit risk of counterparties as a result of economic uncertainties. These impacts might need to be reflected in the sensitivity analysis that is required for recurring fair value measurements categorised within level 3 of the fair value hierarchy.

Determining discount rates in times of high economic uncertainty

30. When determining discount rates in times of high economic uncertainty, entities might also need to consider the systematic and unsystematic risks to ensure that the discount rate and cash flows appropriately reflect the risks inherent to the asset. In this context:
    (a) The systematic risk is measured in relation to the market as a whole. It represents the risk that cannot be reduced through diversification, and it is rewarded with a risk premium or higher level of expected return. This risk is derived from external macroeconomic factors that affect all companies in some way, although in different magnitudes.
    (b) The unsystematic risk reflects the diversifiable risk, which is the risk specific to the particular asset. Factors considered include customer concentration risk, key person risk and regulatory risk. Where relevant, unsystematic risk should be reflected in the asset's cash flows, by using different scenarios with appropriate weightings.

Impact of high inflation and interest rates on risk management disclosures

AASB134(15)

31. As noted in paragraph 8, interim financial reports must include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. In this context, entities might also need to provide updates on risk management disclosures, such as the impact of changes in economic conditions on liquidity risk and interest rate risk.
32. For example, sensitivity disclosures would need to be updated if the magnitude of a reasonably possible change in interest rates is materially different from that disclosed in the previous annual financial statements. Where there are changes in expected volatility, prior year disclosures should not be restated. An entity could choose, however, to present additional sensitivity information for the comparative period in addition to the required comparative figures from the prior year.
33. AASB 7 further does not limit disclosure of risks to only credit risk, liquidity risk and market risk. Hence, an entity might need to provide specific disclosures relating to inflation risk, if this information is not already captured in other market risk disclosures. For example, if an entity has an inflation-linked financial instrument, the sensitivity of such an instrument to changes in inflation rates should be disclosed.
34. In a difficult economic climate, it is further likely that entities will encounter increasing margin calls on derivatives requiring the posting of collateral, which can pose a significant liquidity risk. Entities might also be impacted where contractual terms include inflation-linked interest rates (for example in leasing contracts). If such contractual terms give rise to significant liquidity risk, entities should provide quantitative disclosures of their collateral and contractual arrangements to explain how this liquidity risk is managed.

Commentary on the notes to the condensed consolidated financial statements

Accounting policies

AASB134(16A)(j),(15C)

35. The interim financial report should include a statement that the same accounting policies are followed in the interim financial report as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change (see paragraph 42 below for details of amended standards that apply to annual reporting periods commencing on or after 1 January 2025).
36. While there is no longer a requirement to prominently display an explicit statement that the interim financial report is to be read in conjunction with the most recent annual financial report, we recommend retaining it, because it is a useful explanation and reminder of the nature of an interim report. Entities might also want to place this statement on the front cover of the interim financial report as illustrated on the example contents page, to make this clear to readers of the interim financial report.
37. Where an entity prepares its first set of interim financial statements and there are no previous annual financial statements, we believe that a complete disclosure of material accounting policies should be provided. For guidance on assessing whether accounting policy information is material, please refer to our Practice Aid on the Accounting Policies Disclosures (Amendments to IAS 1).

Impact of standards issued but not yet applied

38. While not explicitly required under AASB 134, entities should also consider explaining the impact of the future adoption of an accounting standard that has been issued, or amendments to existing standards that have been issued, but do not yet need to be applied by the entity. This would be the case, in particular, where adoption of the standard or the amendments will have a significant impact on the amounts recognised in the financial statements and this had not been disclosed in the previous annual financial report, or where the entity's assessment has significantly changed.
39. A list of amendments to standards that have been issued but that are not yet mandatory for annual reporting periods beginning on or before 1 January 2025 is in Appendix A(c).

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Holdings Limited

40. The following requirements are not illustrated in this publication, as they are not applicable to VALUE ACCOUNTS Holdings Limited:

	Issue not illustrated	Relevant disclosure or reference
AASB101(82)(aa),(ca),(cb)	Separate line items in the statement of profit or loss	Where applicable and material also disclose: - gains and losses arising from the derecognition of financial assets measured at amortised cost; - gains and losses recognised as a result of a reclassification of financial assets from measurement at amortised cost to FVTPL; and - gains and losses reclassified from OCI as a result of a reclassification of financial assets from the FVOCI measurement category to FVTPL.
AASB134(16A)(b),(21)	Seasonal or cyclical operations	Explain how the seasonality or cyclicality affects the results and financial position for the interim report (see paragraph 41 below). Consider including financial information for the 12 months up to the end of the interim period and comparative information for the previous 12 months.

Commentary on the notes to the condensed consolidated financial statements

Reference	Issue not illustrated	Relevant disclosure or reference
AASB134(16A)(g)(v)	Segment disclosures: changes in basis of segmentation or measurement of segment profit or loss	Describe differences.
AASB134(16A)(k) AASB12(9B)	The entity became an investment entity or ceased to be an investment entity during the interim period	Provide the disclosures required by AASB 12 paragraph 9B.
	Current tax expense related to Pillar Two top-up taxes	Refer to commentary note 23 for an example.
	Covenant compliance after the end of the reporting period	Refer to commentary note 44 for an example.

Business combinations

AASB134(16A)(i)

Reference	Issue not illustrated	Relevant disclosure or reference
AASB3(B64)(j)	Contingent liabilities assumed in the business combination	Provide the disclosures required by AASB 137 paragraphs 85 and 86.
AASB3(B64)(l),(m)	Transactions recognised separately from the business combination	Disclose the details required by AASB 3 paragraph B64(l) and (m).
AASB3(B64)(n)	Bargain purchase	Disclose the amount of any gain recognised and where it is presented, and explain why the transaction resulted in a gain.
AASB3(B64)(p)	Business combination achieved in stages	Disclose the acquisition-date fair value of the equity interest held immediately before the acquisition date, the gain/loss recognised and where it is presented.
AASB3(B67)(a)(iii)	Subsequent adjustments to incomplete initial accounting	Provide the details required by AASB 3 paragraph B67(a)(iii).
AASB3(B67)(e)	Gains and losses recognised during the period relating to assets or liabilities acquired in a business combination in the current or previous reporting period	Disclose the amount and an explanation of any gain or loss recognised, if this information is relevant to an understanding of the entity's interim report.

Financial instruments – fair value measurements

AASB134(16A)(j)

Reference	Issue not illustrated	Relevant disclosure or reference
AASB13(93)(a)	Non-recurring fair value measurements	Disclose the reason for the measurement.
AASB13(93)(c)	Transfers between level 1 and level 2 of the fair value hierarchy	Disclose the amount of any transfers, the reasons and the entity's policy for determining when transfers are deemed to have occurred.
AASB13(98)	Liabilities measured at fair value with inseparable third-party credit enhancements	Disclose their existence and whether they are reflected in the fair value measurement of the liability.
AASB7(28)	Financial assets or liabilities recognised where the transaction price is not the best evidence of fair value	Provide the information required by AASB 7 paragraph 28.

Commentary on the notes to the condensed consolidated financial statements

Seasonal or cyclical operations

41. Where an entity's operations are seasonal or cyclical, comments along the following lines should be included in the notes:

    Seasonality of operations

    Due to the seasonal nature of the US and UK retail segment, higher revenues and operating profits are usually expected in the second half of the year than the first six months. Wholesale revenues and operating profits are more evenly spread between the two half years. In the financial year ended 31 December 2024, 39% of revenues accumulated in the first half of the year, with 61% accumulating in the second half.

Changes in accounting policies

AASB134(16A)(a)

42. New and amended standards and interpretations must be adopted in the first interim financial statements issued after their effective date or date of early adoption. There is one amendment to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2025, and entities will need to consider whether any of the amendment could affect their existing accounting policies for their 2025 interim reports:

    (a) AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]

    The above amendment and its impact are summarised in Appendix A.

AASB134(16A)(a)

43. AASB 134 does not specify the level of detail entities must provide to explain a change in policy. Where the change has a significant impact, we recommend following the requirements in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Depending on the individual circumstances (in particular the impact of the change on individual line items in the financial statements) less detailed disclosures might also be sufficient.

44. If the disclosures related to compliance with covenants after the reporting period were applicable to VALUE ACCOUNTS Holdings Limited, it would be required to disclose facts and circumstances indicating that it might have difficulty complying with its covenants. An example of a disclosure an entity might make is illustrated below:

    The group expects rising costs for some of its businesses in the coming months due to recent unexpected supply chain disruptions in some jurisdictions in which it operates. The group does not consider it realistic or have the practical ability to pass these additional costs to its customers through price increases in the short term. As a result, the entity expects to experience a temporary decrease in EBITDA and there is a risk that the group will not comply with applicable debt covenants for its major bank loan at the next compliance date (that is, 31 December 2025), in which case the term loans will become immediately repayable. The group is currently in negotiations with the lender to revise the covenants related to EBITDA of this bank loan, which has a carrying amount of $35,000,000 (2023: $37,000,000).

Commentary on the notes to the condensed consolidated financial statements

45. For the purpose of this publication, we have assumed that VALUE ACCOUNTS Holdings Limited did not have to make any changes to its accounting policies for the AASB 16 sale and leaseback amendment, because it is not affected by this amendment. However, this assumption will not necessarily apply to all entities. Where there has been a change in policy, this will need to be explained.

Changes in accounting policy following IFRS IC agenda decisions

46. While IFRS IC agenda decisions do not form part of IFRSs, they often provide explanatory material that provides new information 'that was not otherwise available and could not otherwise reasonably have been expected to be obtained' relating to the application of accounting standards. Therefore, an entity might be required to change its previous accounting treatment following the issue of an IFRS agenda decision. Often, but not always, changes resulting from an agenda decision would be a voluntary accounting policy change in accordance with AASB 108, as it arises from 'new information'.
47. Paragraph 43 of AASB 134 requires a voluntary change in accounting policy to be accounted for by restating the financial statements of prior interim periods of the current financial year, and the comparable interim periods of any prior financial years that will be restated in the annual financial statements in accordance with AASB 108.
48. In this case, entities will need to identify which of the primary financial statements have been restated (usually by adding the word 'restated' to the relevant column headers), together with a reference to the note where information about the restatement can be found. In the statement of changes in equity, entities should show the effects of the retrospective restatement for each component of equity, usually by presenting three rows for the beginning balances of the comparative period: 'as originally presented', 'change in accounting policy, net of tax' with the note reference, and 'as restated'. Entities also need to include a third statement of financial position as at the beginning of the comparative period where the restatement had a material effect on the information at the beginning of the comparative period.
49. As noted in paragraph 42, entities should consider whether the requirements of AASB 108 could be used to explain the nature and effect of the change in accounting policy. Entities should apply judgement to determine the extent of the disclosure, taking into consideration the requirements or expectations of local regulators and the significance of the changes. IFRS IC agenda decisions issued in the last 12 months to 30 April 2025 that might be relevant for the preparation of interim reports in 2025 are listed in Appendix A.

CA303(1)(c)

Directors' declaration [1]

In the directors' opinion:

CA303(4)(d)

(a) the financial statements and notes set out on pages 12 to 50 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards[2], the *Corporations Regulations 2001* and other mandatory professional reporting requirements[3], and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date and

CA303(4)(c)

(b) there are reasonable grounds to believe that VALUE ACCOUNTS Holdings Limited will be able to pay its debts as and when they become due and payable.[4]

CA303(5)(a)

This declaration is made in accordance with a resolution of the directors.[5]

CA303(5)(c)

M K Hollingworth
Director [5]

CA303(5)(b)

Sydney
29 August 2025 [5,6]

Directors' declaration

Format of the directors' declaration

1. The directors' declaration illustrated above is included by way of example. Other formats can be used as long as they comply with all relevant requirements.

Compliance with accounting standards or AASB 134

CA303(4)(d)

2. The Corporations Act requires the directors to declare whether, in their opinion, the financial statements and notes comply with accounting standards. However, the requirements relevant for interim reports are all contained in AASB 134 *Interim Financial Reporting* and both the basis of preparation and the illustrative example review report in ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* refer to compliance with AASB 134 rather than compliance with accounting standards more generally. We consider both interpretations acceptable but have used the wording from the legislation in the declaration above.

Reference to other mandatory professional reporting requirements

3. Reference to other mandatory professional reporting requirements is not required, but is recommended.

Solvency declaration

ASIC-RG22

4. In Regulatory Guide 22 ASIC provides guidance to directors and auditors of companies in relation to the solvency declaration previously required in annual reports by the former CA 301(5), and now required in half-year reports by CA 303(4)(c). As there is no substantive change to the requirements for the solvency declaration, the guidance in the guide is still relevant. It discusses the obligations on directors in making the declaration, and the implications for auditors, under the following headings:

   (a) debts to be taken into account by directors in making the solvency statement

   (b) matters to be considered by directors

   (c) qualified statements by directors, and

   (d) implications for auditors.

Dating and signing of declaration

CA303(5)(a)-(c)

5. The directors' declaration shall be made in accordance with a resolution of the directors, specify the day on which it was made and be signed by a director.

CA320
ASX(4.2B)

6. There is no specific deadline for signing the directors' declaration, but it will need to be signed within 2 months after the end of the half-year to meet the ASX lodgement deadline for the half-year report if the entity is a listed entity other than a mining exploration entity. The ASIC lodgement deadline is 75 days after the end of the half-year.

ASRE2410(32)(a),(b)
CA309(4)

Independent auditor's review report to the members of VALUE ACCOUNTS Holdings Limited [1-7]

The review or audit report (as applicable) will be provided by the entity's auditor upon completion of the review or audit of the financial report. As the wording of the report may differ in certain aspects from firm to firm, we have not included an illustrative report in this publication.

Independent auditor's review or audit report

Audit or review report

CA302(b),307,309

1. The half-year financial report of a disclosing entity prepared under Part 2M.3 of the *Corporations Act 2001* must be audited or reviewed by the auditor. The requirements for auditors in conducting a review of half-year financial statements of disclosing entities are set out in ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Compliance with auditing standards is mandatory for all audits and reviews carried out under the *Corporations Act 2001* and for all other audits and reviews carried out by members of the Accounting Bodies.

Corporations Act 2001 requirements

CA309(5A)

2. The audit or review report must include any statements or disclosures required by auditing standards.

CA309(5B)

3. If the financial report includes additional information under CA 303(3)(c) (information included to give a true and fair view of financial position and performance), the audit or review report must include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by CA 305.

Review reports

CA309(4),(5)

4. An auditor who reviews the financial report for a half-year must report to members on whether the auditor became aware of any matter in the course of the review that makes the auditor believe that the financial report does not comply with Division 2 of Part 2M.3 of the *Corporations Act 2001*. The review report must describe any such matter and say why that matter makes the auditor believe that the financial report does not comply with Division 2.

Audit reports

CA309(2)

5. Where the financial report for a half-year has been audited rather than reviewed and the auditor is of the opinion that the financial report does not comply with an accounting standard, the audit report must, to the extent it is practicable to do so, quantify the effect of the non-compliance. If it is not practicable to quantify the effect fully, the report must say why.

CA309(3)

6. The audit report must describe (on an exception basis):
   (a) any defect or irregularity in the financial report
   (b) any deficiency, failure or shortcoming in respect of the following matters:
      (i) whether the auditor has been given all information, explanation and assistance necessary for the conduct of the audit
      (ii) whether the entity has kept financial records sufficient to enable a financial report to be prepared and audited
      (iii) whether the entity has kept other records and registers as required by the *Corporations Act 2001.*
7. Please refer to the commentary on the audit report in our Value Accounts Holdings - Annual financial reporting publication for further information.

Australian requirements for interim reports

Accounting standard on interim reporting

AASB134(Aus1.1)

1. AASB 134 applies to each disclosing entity required to prepare half-year financial reports in accordance with Part 2M.3 of the *Corporations Act 2001* as well as other entities that prepare interim financial reports that are, or are held out to be, general purpose financial statements.

Single and parent entity interim financial reports

AASB134(14)

2. An interim financial report must be prepared on a consolidated basis if the entity's most recent annual financial statements were consolidated statements. Single entity interim financial reports will be presented for entities that are not parent entities. AASB 134 neither requires nor prohibits the inclusion of the parent's separate financial statements in the entity's interim financial report.

ASIC10/654
CA303(2)

3. In contrast, interim reports prepared under the *Corporations Act 2001* should not include separate financial statements for the parent entity if the entity is required to prepare consolidated financial statements. However, if an entity wishes to include both consolidated and separate parent entity financial statements in the interim report, it can do so using the relief provided by ASIC class order 10/654.

Corporations Act 2001 requirements for half-year financial reports of disclosing entities

CA292(1),302,
323D(5)

4. The *Corporations Act 2001* requires a disclosing entity to prepare financial reports twice each year, once in respect of the first six months (plus or minus seven days) of a financial year (the half-year) and once in respect of the financial year. A half-year report is not required if the entity is not a disclosing entity when lodgement is due. For a newly incorporated or registered entity, the first half-year is defined as the period of six months from the date of incorporation or registration. This will not be six months before the entity's year end where, for example, its first financial year is not a twelve month period or it is specifically permitted to have a financial year shorter or longer than twelve months to synchronise its year end with that of a new parent entity.

ASIC2016/190

5. ASIC has given relief from the requirement to prepare and lodge a financial report for a half-year where this is the entity's first financial year and the full financial year will only be eight months or less.

CA304,305
CA303(3)

6. *The Corporations Act 2001* requires the half-year financial report to comply with accounting standards and any further requirements in the *Corporations Regulations 2001*, and to give a true and fair view of the financial position and performance of the disclosing entity. CA 303(3)(c) requires the notes to the financial statements to disclose any information not otherwise required by accounting standards or the *Corporations Regulations 2001* that is necessary to give a true and fair view.

CA303(2)

7. The financial report for a half-year that is prepared under Part 2M.3 (Division 2) of the *Corporations Act 2001* consists of:
   (a) financial statements required by accounting standards
   (b) notes to the financial statements containing the disclosures required by the regulations and accounting standards and any other information necessary to give a true and fair view
   (c) directors' declaration

CA320
ASX(4.2B)

8. Disclosing entities shall lodge their half-year reports with ASIC within 75 days of the end of the half-year. There is no specific requirement for half-year reports to be sent to the disclosing entity's members. Listed entities (other than mining exploration entities) shall lodge the half-year report with the ASX within two months of the end of the half-year. For further information see paragraphs 10 – 11 below.

9. A body is a disclosing entity if it has issued ED (short for 'enhanced disclosure') securities. This can also include retail-Corporate Collective Investment Vehicles (CCIVs). For further information about disclosing entities see paragraph 6 of Appendix B in Value Accounts Holdings - Annual financial reporting publication.

Australian requirements for interim reports

Entities listed on the Australian Securities Exchange (ASX)

10. A listed entity shall give the ASX the following information or documents:

ASX(4.2A)
ASX(4.2A.1)
   (a) if the entity is established in Australia, a copy of the documents a disclosing entity shall lodge with ASIC under CA 320 (for example, the financial report prepared under AASB 134, including the directors' declaration and a directors' report for the half-year and the audit or review report)

ASX(4.2A.2)
   (b) if the entity is not established in Australia, the accounts, information or documents prepared under the law of its home jurisdiction which are equivalent to those that a disclosing entity shall lodge with ASIC under CA 320, and any other information or documents that would be required under CA 320 – see paragraph 11 below. The accounts shall be audited or subject to review. The audit or review report shall be given to the ASX with the accounts

ASX(4.2A.3)
   (c) unless the entity is a mining exploration entity, the information set out in Appendix 4D (half-year report) of the ASX Listing Rules. A responsible entity shall give the information to the ASX with any necessary adaptation. The additional disclosures required by Appendix 4D are not covered in this illustrative interim financial report.

ASX(4.2B)
11. The information referred to in paragraph 10 above shall be given to the ASX immediately all of it becomes available, and no later than it lodges any accounts with ASIC or the regulatory bodies in the jurisdiction in which it is established. The information shall be lodged no later than:
   (a) for an entity which is not a mining exploration entity – two months after the end of the accounting period
   (b) for an entity which is a mining or oil and gas exploration entity – 75 days after the end of the accounting period.

Appendix A: New standards and amendments

This appendix provides a summary of (a) new accounting standards and amendments that are effective for the first time for periods commencing on or after 1 January 2025 (that is, years ending 31 December 2025), (b) a list of IFRS IC agenda decisions for consideration and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2026.

(a) New standards and amendments – applicable 1 January 2025

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2025:

Title	Key requirements	Effective date *
AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]*	In October 2023, the AASB amended AASB 121 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, AASB 121 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process). Refer to *Filling the gap in currency accounting: new IFRS requirements for lack of exchangeability* for further details.	1 January 2025 In brief INT2023-19

* Applicable to reporting periods commencing on or after the given date.

(b) IFRS Interpretations Committee agenda decisions issued in the last 12 months

As at 31 March 2025, the following agenda decisions were issued that might be relevant for the preparation of annual and interim reports in 2025. The date issued refers to the date of approval by the IASB according to IASB's website. For more recent information, refer to our website at www.viewpoint.pwc.com.

Date issued	Topic
April 2024	Payments Contingent on Continued Employment during Handover Periods (IFRS 3)
April 2024	Climate-related Commitments (IAS 37)
July 2024	Disclosure of Revenues and Expenses for Reportable Segments In brief INT2024-18
Feb 2025	Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts (IAS 7)
April 2025	Recognition of Revenue from Tuition Fees (IFRS 15)
April 2025	Recognition of Intangible Assets from Climate-related Expenditure (IAS 38)
April 2025	Guarantees Issued on Obligations of Other Entities

(c) Forthcoming requirements

As at 31 March 2025, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2025. For more recent information, refer to our website at www.viewpoint.pwc.com.

Title	Key requirements	Effective date *
AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* ^	The AASB has added modifications to AASB 17 Insurance Contracts which apply only to public sector entities. These modifications provide public sector entities with: • pre-requisites, indicators and other considerations to help identify which arrangements fall within the scope of AASB 17 in a public sector context • an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition • an exemption from sub-grouping contracts issued no more than a year apart • an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous • guidance on coverage periods, which has consequences for assessing eligibility for the premium allocation approach in a public sector context • an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach, and • a transition requirement which grandfathers existing arrangements such that they can either be classified as liability for incurred claims within the scope of AASB 17 or a provision within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets. AASB 1050 Administered Arrangements was also amended to provide an accounting policy choice for government departments to apply either AASB 17 or ASB 137 in determining the information to be disclosed about administered captive insurer activities.	1 July 2025
AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]* AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures [AASB 1060]*	In July 2024, the AASB issued targeted amendments to AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amendments to AASB 9 and AASB 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.	1 January 2026 In brief INT2024-14
AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 & AASB 107]*	The AASB has made the following minor improvements in September 2024: • AASB 1 *First-time Adoption of International Financial Reporting* – to improve consistency between AASB 1 and AASB 9 *Financial Instruments* in relation to the requirements for hedge accounting, and improve the understandability of AASB 1; • AASB 7 *Financial Instruments: Disclosures* – to improve consistency in the language used in AASB 7 with the language used in AASB 13 *Fair Value Measurement*; • AASB 9 *Financial Instruments* – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished and address an inconsistency between AASB 9 and AASB 15 *Revenue from Contracts with Customers* in relation to the term 'transaction price'; • AASB 10 *Consolidated Financial Statements* – to clarify the requirements in relation to determining de facto agents of an entity; and AASB 107 *Statement of Cash Flows* – to replace the term 'cost method' with 'at cost' as the term is no longer defined in Australian Accounting Standards.	1 January 2026

* Applicable to reporting periods commencing on or after the given date.

^ Applicable only to not-for-profit and/or public sector entities.

(c) Forthcoming requirements

Title	Key requirements	Effective date *
AASB 18 *Presentation and Disclosure in Financial Statements*	This is the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss. The key new concepts introduced in AASB 18 relate to: • the structure of the statement of profit or loss with defined subtotals; • requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss • required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027 (early adoption is permitted) - for for-profit entities 1 January 2028 (early adoption is permitted) - for not-for-profit and superannuation entities In brief INT2024-06 For financial services companies, see In brief INT2024-08 For treasury topics for corporate entities, see In brief INT2024-09
AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity [AASB 7 & AASB 9]*	In February 2025, the AASB issued targeted amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments to allow entities to better reflect Nature-dependent electricity contracts in the financial statements. The amendments: (a) clarify the application of the 'own-use' criteria to nature-dependent electricity contracts; (b) permit hedge accounting if these contracts are used as hedging instruments; and (c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows. The amendments to AASB 9 and AASB 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.	1 January 2027 In brief INT2024-22 In depth INT2022-06 In depth INT2025-01
AASB 2014-10 *Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	The AASB has made limited scope amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in AASB 3 *Business Combinations*). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. *** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. However, the AASB cannot legally issue amendments without an operative date. It has therefore initially deferred the application date to 1 January 2018 and subsequently extended this to 1 January 2025. Even though the amendments are not yet mandatory, they can be applied early if an entity elects to do so.	n/a ***

* Applicable to reporting periods commencing on or after the given date.

Appendix B: Abbreviations

Abbreviations used in this publication are set out below:

AAS	Australian Accounting Standards issued jointly by CPA Australia and The Institute of Chartered Accountants in Australia
AASB	Australian Accounting Standards Board
AASB (Number)	Accounting Standards issued by the AASB
AASB (Number)R	Revised accounting standard – not yet operative
AASB-I (Number)	Interpretations issued by the AASB
ABN	Australian Business Number
ACN	Australian Company Number
ACNC (Number)	*Australian Charities and Not-for-profits Commission Act 2012*
ADI	Authorised Deposit-taking Institution
AFSL	Australian Financial Services Licence
AGM	Annual General Meeting
AGS	Auditing Guidance Statements
APES	Standards issued by the Accounting Professional & Ethical Standards Board (APESB)
APS	Miscellaneous Professional Statements
ASA	Auditing Standards issued by the AUASB under the *Corporations Act 2001*
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001*
ASIC CP	ASIC Consultation Paper
ASIC IR	ASIC Information Releases
ASIC RG	ASIC Regulatory Guide
ASIC (Number)	ASIC Class Orders and Legislative Instruments (since 2015)
ASX	ASX Limited, trading as Australian Securities Exchange
ASX (Number)	ASX Listing Rules
AUASB	Auditing and Assurance Standards Board
bps	basis points
CA	*Corporations Act 2001*
CAANZ	Chartered Accountants in Australia and New Zealand
CGC (Number)	ASX Corporate Governance Council - Principles of Good Corporate Governance and Best Practice Recommendations
CGS	Corporate Governance Statement
CGPR	(ASX) Corporate Governance Best Practice Recommendations
CGU	Cash-generating Unit
CODM	Chief operating decision maker
CPA	CPA Australia
CR	*Corporations Regulations 2001*
DP	Discussion Papers
ED	Accounting Exposure Drafts
ED securities	Enhanced Disclosure securities
ESMA	European Securities and Markets Authority

ESG	Environmental, Social and Governance
FRC	Financial Reporting Council
FRS	Financial Reporting Standard (UK)
FV	Fair value
FVLCOD	Fair value less cost of disposal
FVOCI	(Financial assets/liabilities at) fair value through other comprehensive income
FVTPL	(Financial assets/liabilities at) fair value through profit or loss
GAAP	Generally Accepted Accounting Principles
GGS	General Government Sectors
GPFS	General Purpose Financial Statements
GS	Guidance Statements issued by the AUASB
IAS® standards	International Accounting Standards
IASB®	International Accounting Standards Board
IBORs	Interbank offered rates
IFRIC®	IFRIC Interpretations issued by the IFRS Interpretations Committee
IFRS® [Number]	IFRS Accounting Standards issued by the IASB ('R' indicates revised standard before its mandatory application date)
IFRS® S[Number]	IFRS Sustainability Disclosure Standards issued by the ISSB
IFRS IC	IFRS Interpretations Committee of the IASB
KPI	Key Performance Indicator
LTI	Long-term Incentive
MEC group	Multiple Entry Consolidated group
MIS	Managed Investment Scheme
NFP	Not-for-Profit
NCI	Non-controlling interest
OCI	Other comprehensive income
PSASB	Public Sector Accounting Standards Board (former)
RDR	Reduced Disclosure Regime
SAC	Statements of Accounting Concepts
STI	Short-term Incentive
TSR	Total shareholder return
UIG	Urgent Issues Group
UIG (Number)	UIG Interpretations

Adelaide

Kaurna Country
Level 11, 70 Franklin Street, Adelaide
GPO Box 418, Adelaide, SA 5001
Telephone: (08) 8218 7000
Fax: (08) 8218 7999

Brisbane

Turrbal and Jagera Countries
480 Queen Street, Brisbane
GPO Box 150, Brisbane, QLD 4001
Telephone: (07) 3257 5000
Fax: (07) 3257 5999

Canberra

Ngunnawal Country
Level 1, JAGA, 33 Allara Street, Canberra
GPO Box 447, Canberra, ACT 2601
Telephone: (02) 6271 3000
Fax: (02) 6271 3999

Greater Western Sydney

Burramattagal Country
Level 11, 1PSQ, 169 Macquarie Street, Parramatta
PO Box 1155, Parramatta, NSW 2124
Telephone: +61 2 9659 2476
Fax: +61 2 8286 9999

Melbourne & PwC's Digital Services

Wurundjeri Country
2 Riverside Quay, Southbank
GPO Box 1331, Melbourne, VIC 3001
Telephone: +61 3 8603 1000
Fax: +61 3 8603 1999

Newcastle

Awabakal Country
Level 3, 45 Watt Street, Newcastle
PO Box 798, Newcastle, NSW 2300
Telephone: +61 2 4925 1100
Fax: +61 2 4925 1199

Perth

Whadjuk Country
Level 15, Brookfield Place
125 St Georges Terrace, Perth
GPO Box D198, Perth, WA 6840
Telephone: +61 8 9238 3000
Fax: +61 8 9238 3999

Sydney

Gadigal Country
One International Towers
Watermans Quay, Barangaroo
GPO Box 2650, Sydney, NSW 2001
Telephone: +61 2 8266 0000
Fax: +61 2 8266 9999

Internet website
www.pwc.com.au

Notes